Employment Security REVIEW

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BUREAU OF EMPLOYMENT SECURITY
AND AFFILIATED STATE EMPLOYMENT SECURITY AGENCIES

In This Issue

THE case for community employment programs is presented in this month's theme. First, there is a message from the Secretary of Labor which extols the individual community approach to our national full-employment goal. p. C2.

DIRECTOR Robert C. Goodwin reviews the symptoms which prompted corrective action and led to our present-day program for community employment planning. He also examines the nature of the responsibility which belongs to the Bureau, the gist of which he believes is "to help communities to help themselves." He tells us how employment security staffs fit into the over-all task. p. 3

AN outstanding example of Coordinated Community action to attack an E area's rapid rise in unemployment comes to us in the article by the Territorial Director of Hawaii. p. 6

TWO Michigan authors tell us how their townspeople all rolled up their sleeves and began to do something about diminishing opportunities for employment. Emphasis was put on expansion of local industries in preference to casting about for new industries, as the soundest solution for this particular section's economic problems. pp. 9-12

A CLOSE-UP of several Arizona communities shows how local office managers helped to develop employment plans. Of particular interest is the clinic set up in Casa Grande to diagnose and prescribe for that community's spreading unemployment. pp. 13-18

VETERAN Service Committees in Maryland, organized to develop jobs for veterans, found their problem part of a larger one, and formed the nucleus of active community employment planning committees when that State had to take quick action to tackle a rising unemployment trend. p. 23

CALIFORNIA and TEXAS authors trace the important role of labor market and other economic information in developing a community plan for greater employment opportunity. Such information provides the means through which a locality can evaluate its human and natural resources, the point at which sound planning must begin. pp. 19 and 26

ALL employment program committees should be well-informed as to the contribution that each agency of the Government can make in total planning. One of these agencies, the United States Department of Commerce, has set down a description of the aids which its Office of Industry and Commerce is prepared to make freely available to all community planning groups. p. 21

A LABORATORY for experiments in unemployment insurance operations was set up in the Elizabeth, N. J. local office, under the Test Office Program of the Bureau. Why that office was chosen and how the work of the laboratory was conducted are told by Joseph A. Jordan. p. 37

Community by Community . . .

We Build Our Economic Security

FULL employment nationally is possible only when there is a strong expanding economy in each community throughout the country. That is why our community full-employment program is of major significance today. It is why last October I requested that each Governor appoint a State full-employment committee.

Not all employment problems can be dealt with by community action. Some economic problems which affect communities may arise from conditions which lie beyond their control. In this connection the Employment Act of 1946 recognizes the Nation's responsibility for full employment. But the States and communities also have responsibilities. Nearly all State laws under which employment security agencies operate provide for State action to alleviate conditions of unemployment.

If all State employment security agencies wholeheartedly cooperate with the Labor Department's Bureau of Employment Security in its current community-employment program, much can be accomplished. The State agencies are the custodians of basic information which is important to community development; thay have the responsibility for supplying such information to Governors, municipal authorities, and interested civic groups. In those States in which Governors have appointed full-employment committees and where local committees have been set up, the State employment security agencies are generally doing outstanding work. They are helping State and local committees to make surveys and carry forward programs for increasing the economic stability of those communities where unemployment is heavy, or is a threat. The results already achieved in numerous States and local areas should encourage other States to establish full-employment committees of their own.

The community approach to the problem of full national employment is thoroughly in keeping with our democratic system of free enterprise. If it is universally used there can be no doubt but that much ground can be gained in avoiding future economic dangers which flow out of conditions of unemployment at the local level.

We must be sure that the American ideal of equal opportunity for employment and a rising standard of living is attainable by all our citizens.

Today our national economy is strong. Our employment levels are high. But, since the war, we have been plagued by the paradox of serious unemployment in a few scattered communities. In some areas obsolete plants or improper use of resources are the causes. But no matter what the cause, the cure of unemployment should be found. The proper place to start to correct community economic ills is at the local level. This job belongs to everyone in the community—management, organized labor, civic interests, veterans, and average citizens.

I am sure that community forces, working together in a spirit of harmony, can do much to conquer unemployment and provide the job opportunities to keep their workers properly employed.

—MAURICE J. TOBIN, *Secretary of Labor.*

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At press time

Field Letter Defines "Temporary Jobs"

THE term "other than temporary position" as it appears in the Selective Service Act of 1948 and the earlier reemployment statutes is defined in a Field Letter just released by the Department of Labor's Bureau of Veterans' Reemployment Rights.

The Field Letter, No. 14 of a series, includes 38 questions and answers about temporary positions and cites most of the court decisions rendered to date on this subject. Robert K. Salyers, Bureau of Veterans' Reemployment Rights Director, explains in a foreword that the release of draftees and other young men from military service, many of whom were apprentice, probationary, part-time or seasonal employees at the time they entered military service, has given rise to numerous requests for treatment of this question by the Bureau.

The first question is: "Do persons who leave temporary positions with private employers to enter military service have reemployment rights?"

The answer given is, "No." The only positions not covered by the acts are temporary positions. By using the phrase "positions other than temporary" Congress evidenced an intention of using a broader concept than would have been intended by use of the word "permanent." Hence, before reemployment rights are denied, it must clearly appear that the positions vacated were temporary. In determining whether or not a position is temporary, all of the facts and circumstances relating to the employment relationship must be considered and in borderline cases the doubts should be resolved in favor of the veteran.

Another question is: "What is the definition of a temporary position under the reemployment statutes?"

The Bureau's answer here is that the acts do not define the phrase "temporary position" and thus leave the matter to the determination on the facts of the particular case in accordance with the usual and generally understood meaning of the term, and the circumstances existing at the time of the veteran's entry into the armed forces. In general, it may be said that the statutes exclude only those positions held by persons under circumstances indicating that it was mutually understood by both employer and employee that the employment was temporary. Where it appears from all the circumstances surrounding the employment that the position was expected to be continuous for an indefinite term and was not limited to a specific, brief and nonrecurrent period at the time the employee was engaged, it should be considered "other than temporary."

Copies of the Field Letter are available upon request to the Bureau of Veterans' Reemployment Rights, Department of Labor, Room 7318, Washington 25, D. C.

School Drop-outs

Too many young people have been dropping out of school before completing their education. Early this year some 40 educators held a "Work Conference on Life Adjustment Education" to get at the root of this problem. The report on this conference is now being issued by the Office of Education, Federal Security Agency, as a circular entitled "Why Do Boys and Girls Drop Out of School and What Can We Do About It?"

One survey conducted among 957 "early-leavers" showed that 36 percent of the students leaving school before the 12th grade gave as the reason "prefer to work." But, although the student sometimes gives an economic reason for leaving school, this is not always the real reason. Many students when queried further say they find teachers unsympathetic or the curricular requirements too stiff.

One interesting observation is that where the training is closely related to employment opportunities—as in vocational classrooms—the holding power of the school is strong. An example given is that of the printing industry, in which trainees get an apprenticeship when they complete their course, almost 100 percent remain in school.

Still Eligible

EVEN though the Readjustment Allowance Program of the GI Bill is over for the bulk of the World War II veterans, counselors, particularly those handling separatees, should bear in

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mind that many persons are still eligible or potentially eligible for these benefits.

Because the deadline for a great majority of veterans occurred on July 25, 1949, an erroneous conception has arisen that no benefits are any longer being paid. The GI Bill provides among other things that such allowances may be paid to eligible veterans for each week of unemployment occurring not later than two years after discharge or release from the service, or two years after July 25, 1947, whichever is later. Since the majority of WW II veterans were discharged prior to July 25, 1947 the date July 25, 1949 was an important deadline in connection with Readjustment Allowances. It must be remembered, however, that anyone discharged after July 25, 1947 is eligible for Readjustment Allowances for two years from the date of his discharge. Thus, every day will be a deadline for some veteran for some time to come.

Older Workers

A PLAN proposed by Sumner Slichter, a Harvard University economist, to keep workers on the job past the 65-year-age limit, was noted by Secretary of Labor Tobin in his address before the CIO Steelworkers' convention in Atlantic City in May.

Mr. Slichter believes that arbitrary retirement at 65 (the general pension age) badly affects the individual and is bad from the standpoint of increasing unemployment, and robs the Nation of seasoned experience.

As an incentive to employers to keep the 65-and-over worker on the job, the economist proposes that the employer be given one-third of the amount the worker would have received in Social Security retirement benefits. It would work this way: Assuming a pensioner was entitled to a $75 a month retirement benefit ($900 a year), his employer would get $300 a year from the Government for keeping the man employed.

The choice to work or to retire would be the worker's. If he elected to continue on the job, the employer who found the oldster's productive value lessened, would be in a measure recompensed.

Mr. Tobin pointed out that a widespread notion that at a fixed time older workers should give up their places to younger ones, without reference to productive capacity, is harmful economically and harmful to the national morale.

Wheat Harvest Drama

THIS year marks the third consecutive postwar year in which the Employment Services of 10 States have perfected a plan for the coordinated direction and use of men and machines on their combined 55 million wheat acres. This gigantic harvest effort covers a season of some 20 weeks, employs close to a million workers, a quarter of a million grain combines, and triple that number of other farm vehicles. Before the season is over there is toil, sweat, disappointment—but at the end high reward.

A new pamphlet, "The Midwest Wheat Harvest," tells how this annual phenomenon is accomplished. It describes the high degree of coordination developed in 1949 through the joint efforts of the United States Employment Service and affiliated agencies of the 10 Wheat States to master the conflicting problems of so extensive a harvest.

As stated in the pamphlet's foreword:

The drama in the wheat harvest is no longer in the great number of men working long hours at top speed under a hot sun to reach their goal. Now the drama is in the intelligent, planned direction of the thousands of pieces of harvesting machinery and transportation equipment that are required to bring immense crops of expanded acreages from field to storage.

It is in this phase of the grain harvest that the 10 State employment services, through their farm placement activities, are so rapidly increasing their value to midwest grain farmers.

The Wheat Harvest Plan is formulated each year

(*Continued on page 36*)

Employment Security Activities at a Glance, April 1950
U. S. and Territories

	Number or amount	Change from previous month
Overall		
Initial claims	[1] 1,177,700	2% decrease.
Weeks of unemployment covered by continued claims	7,871,100	19% decrease.
Weeks compensated	[2] 6,758,000	26% decrease.
Weekly average beneficiaries	[2] 1,560,000	26% decrease.
Benefits paid	[2] $138,967,000	26% decrease.
Funds available as of April 30, 1950	$6,690,614,727	([3])
Visits to local offices	12,768,400	12% decrease.
New applications	584,400	8% decrease.
Referrals:		
Agricultural	178,900	72% increase.
Nonagricultural	713,800	8% increase.
Placements:		
Agricultural	153,900	74% increase.
Nonagricultural	405,800	10% increase.
Men	245,700	21% increase.
Women	160,100	3% decrease.
Handicapped	15,700	15% increase.
Counseling interviews	109,200	4% decrease.
Employer visits	227,900	2% decrease.
Veterans		
New applications	122,500	15% decrease.
Referrals, nonagricultural	185,600	14% increase.
Placements, nonagricultural	104,800	18% increase.
Placements, handicapped	7,900	15% increase.
Counseling interviews	31,600	11% decrease.

[1] Excludes transitional claims which do not represent new unemployment.
[2] Includes estimate for Rhode Island.
[3] Less than 1 percent decrease.

Community Employment Programs

Helping Communities to Help Themselves

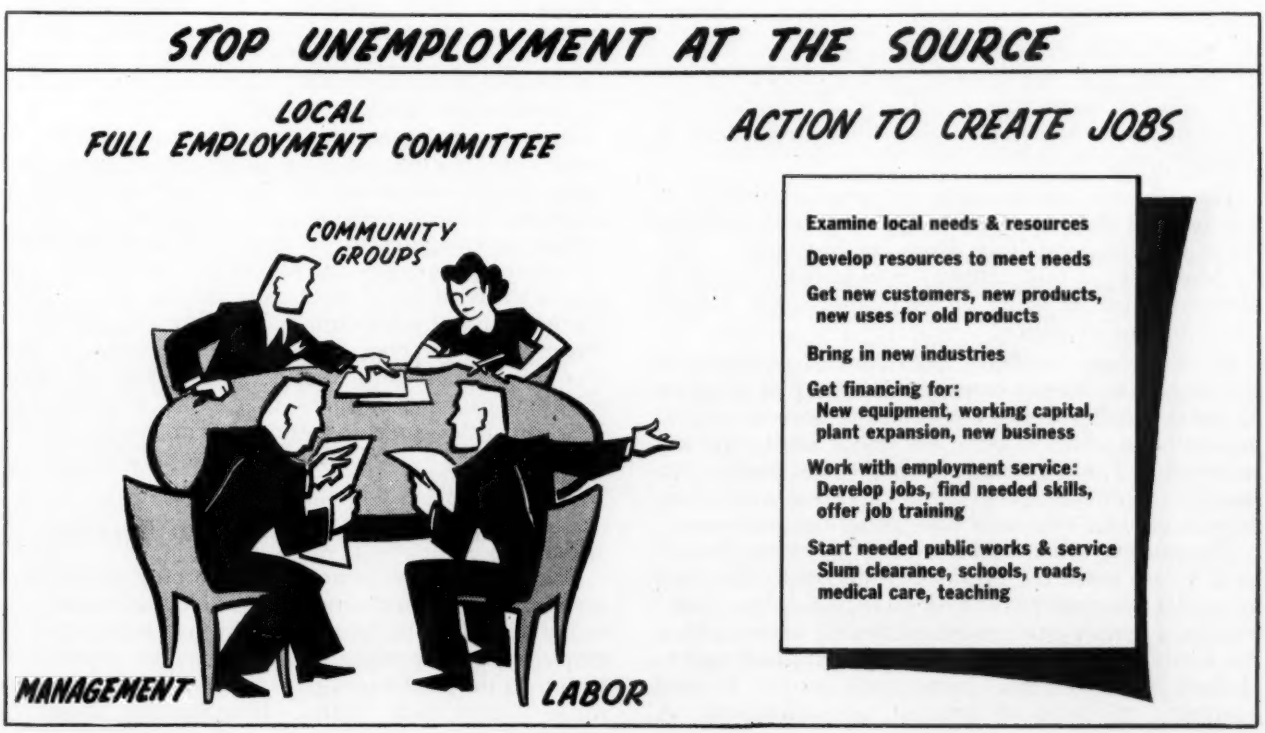
By **ROBERT C. GOODWIN**

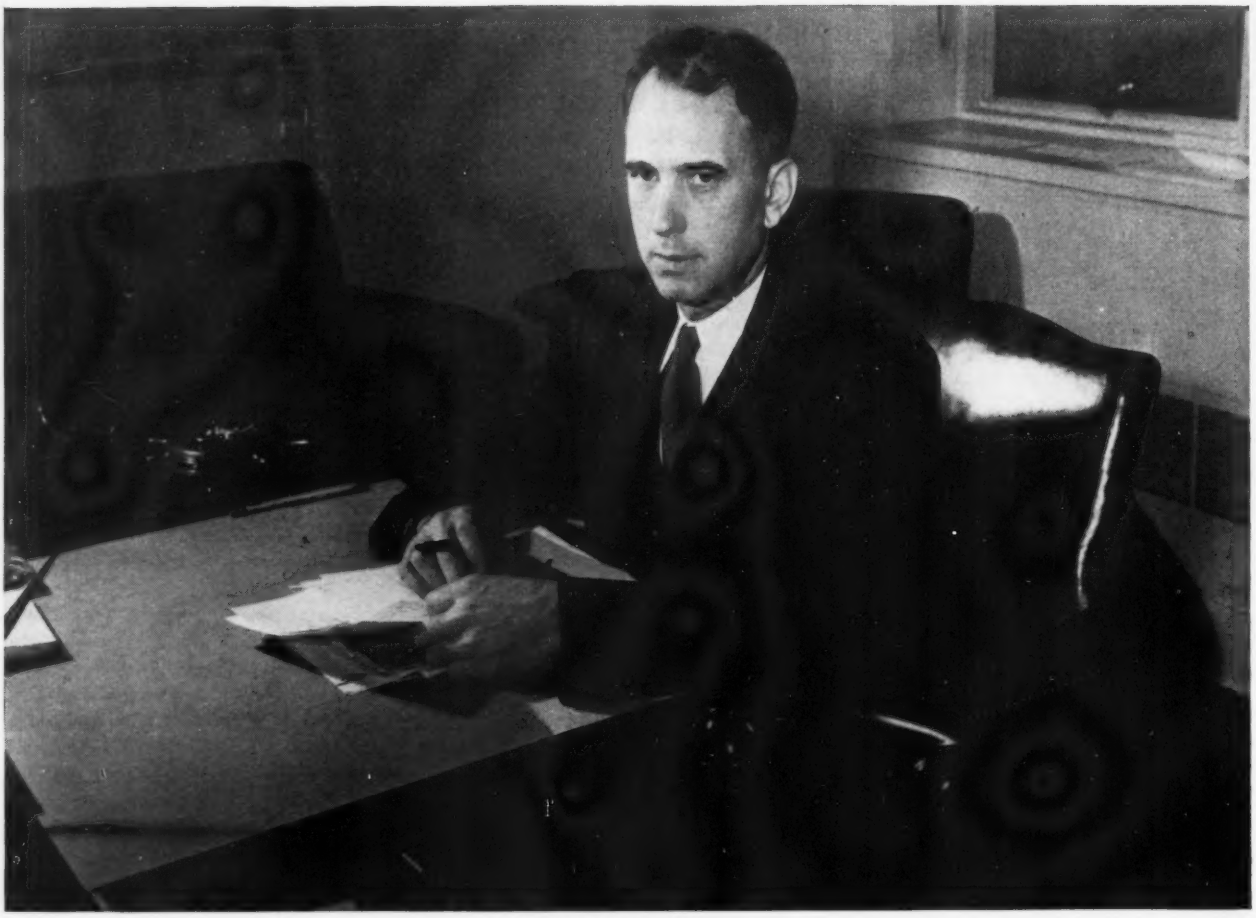
Director, Bureau of Employment Security

COMMUNITY COOPERATION—a practical approach to problems of national concern is an old American custom. It is synonymous with "free enterprise" and dates back to colonial days when leaders in each community banded together into little groups to fight for the common defense. Today, too, the local groups in our communities are banding together in the common defense—this time to combat any threat of unemployment that could disrupt the economic well-being of a community. The activities of the Employment Security System to promote full employment, therefore, are directed towards "helping communities to help themselves."

No program since the termination of the war has received such widespread support from all groups in our economy. The national organizations of management, labor, chambers of commerce, and the American Municipal Association have encouraged their memberships to participate actively in the formation of local full-employment program committees and to follow through to attain the economic goal of their communities which can result in jobs for everyone who wants to work.

The community full-employment program was initiated by the Bureau of Employment Security when labor market reports received from State employment security agencies revealed heavy unemployment in some areas of the country. In the Employment Act of 1946, the Congress of the United States had declared that it is a continuing responsibility of the Federal Government to create and maintain conditions under which persons willing, able, and seeking work will be afforded gainful employment opportunities. One of the first steps taken by


STOP UNEMPLOYMENT AT THE SOURCE
LOCAL
FULL EMPLOYMENT COMMITTEE
COMMUNITY
GROUPS
MANAGEMENT
LABOR
ACTION TO CREATE JOBS
Examine local needs & resources
Develop resources to meet needs
Get new customers, new products, new uses for old products
Bring in new industries
Get financing for: New equipment, working capital, plant expansion, new business
Work with employment service: Develop jobs, find needed skills, offer job training
Start needed public works & service Slum clearance, schools, roads, medical care, teaching



Robert C. Goodwin.

the Bureau was to call to the attention of the Office of the President and other Federal agencies the fact that despite high national levels of employment, unemployment was reaching serious proportions in specific areas.

The postwar classification of areas according to the relative degree of unemployment was resumed on a regular bimonthly basis in November 1948. By May 1949, a fifth category was added to the four already in use in order to distinguish areas of very heavy unemployment.

As rising area unemployment showed evidences of spreading, the Bureau extended its reporting program to cover smaller areas with critical or near-critical joblessness in addition to the 100 major areas regularly surveyed. The reporting program was further expanded to provide for monthly reporting and classification of areas with very substantial unemployment.

The concentration of serious unemployment in some local areas caused the President to recognize the need for a selective program of Federal action. As a result, Federal agencies were requested to take action within the limits of existing laws and appropriations and to channel procurement, loans, and other Federal assistance to areas of heaviest unemployment. A directory of cities and towns included within the boundaries of these areas was compiled by the Bureau to simplify the operations.

With the inauguration of a Federal program to assist communities suffering from severe unemployment, we immediately accelerated and expanded our program to furnish current and comprehensive labor market information to be used as a basis by other Government agencies for planning and timing programs so as to be of most assistance to these areas. To mention just one example, the Secretary of Defense directed all branches of the armed services to take this information into consideration when planning contractions or expansions in civilian employment. It is also being used by other Federal agencies with resources which can directly assist areas of heavy unemployment.

Bureau's Program to Assist State Agencies

Nearly all of the State laws governing unemployment insurance and employment security contain a broad mandate to State administrators to promote employment opportunities and to take preventive action so that unemployment will be kept to a minimum within their States. Emphasizing these re-

sponsibilities, the Bureau, in the fall of 1949, urged State employment security administrators to assist in the establishment of State full-employment program committees. It also suggested that local offices take the initiative in setting up committees to take action on employment problems and in the development of operating programs designed to promote economic expansion in their respective communities.

The operations of local employment offices are sensitive to changes in employment and economic conditions in communities. These offices are, therefore, in a unique position to stimulate community action on employment problems. Local offices can point out the extent and trend of unemployment, identify its causes, suggest preventive or remedial actions to be carried out within the community, and work with groups to bring about results. More than half the States have now recognized this approach as an effective method for stimulating economic development.

To assist State agencies in the establishment of committees and in the development of full-employment programs, the Bureau released material to the States early in September 1949 suggesting types of action for these committees, and indicating ways in which local offices could further such activities.

Realizing that needs in different communities are so varied and the solutions required so diverse, the program guides were purposely made sufficiently flexible to aid in solving whatever kind of employment problem confronts a community. It was further recommended that the composition of full-employment program committees be broadly representative of the community as a whole, and specifically representative of those groups and interests within the community which can take action.

We have also issued program materials for the guidance of the State agencies in assisting State officials to set up and operate State committees. Where State committees have not yet been established, State employment agencies themselves are undertaking to give as much assistance as possible to local committees in their efforts to solve employment problems.

Exchange of Ideas

Realizing that the experience of areas operating a full-employment program can be of value to other areas faced with similar problems, the Bureau periodically summarizes State and local activities for distribution to all State and local offices. To make these summaries more valuable, all States and Territories now report bimonthly their experiences and activities in connection with the full-employment program.

Information about new services or programs developed by other Federal agencies will be made available to State and local offices as quickly as possible and we will continue distribution of brochures, pamphlets, and articles of interest that can contribute to successful community employment planning. From time to time, methods and techniques developed by the Bureau which can be successfully employed in conducting economic surveys will be made available to State and local offices.

Federal Aid to Communities

Many of the problems dealt with by State and local committees require action by the Federal Government. As a result of the active participation of the State agencies in community programs, such problems have frequently been referred to the Bureau for further action. We are working constantly with other Federal agencies to the end that the programs of these agencies may be used to the maximum extent possible in the solution of problems which are referred to us for action by community employment program committees and State agencies. We shall continue to maintain close liaison with national representatives of labor, management, agriculture, trade associations, educational institutions, veterans, and other groups in an effort to have their local organizations participate actively on employment program committees that have been or will be established for the purpose of developing action programs to stimulate the general economy. At the request of State agencies, the Bureau has provided technical assistance in conducting economic surveys and in the development of programs to promote industrial expansion and full employment.

While the Bureau is emphasizing expansion of community employment opportunities in areas of heaviest unemployment, the program is being encouraged in all other areas. The Bureau believes that continuing local action to prevent unemployment is essential in order to maintain a healthy economy. Nearly every community can take some action to increase or regularize employment which will result in improved economic conditions. At the present time, very heavy unemployment is largely localized. However, it is good business to plan economic development through positive community action before a serious problem arises. It has already been proved that State and local employment committees can develop programs that will materially assist in maintaining high levels of employment and production.

Our economy traditionally has expanded to provide more and more jobs. Now, in line with our population growth there is a need for more jobs, and especially in areas of heavy unemployment. These jobs are needed not only for workers currently unemployed but for a labor force that has a net expansion of 600,000 to 700,000 each year.

To make those jobs a reality the Bureau will continue to direct its efforts toward "*Helping Communities to Help Themselves.*"

A view of Waikiki Beach.

Community-Wide Cooperation Fights Unemployment in Hawaii

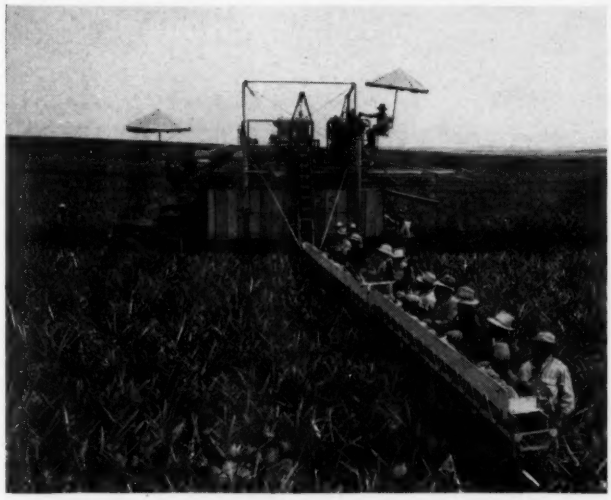
By E. LEIGH STEVENS
Director, Territory of Hawaii Employment Service

THE appointment of a Full-Employment Committee for Hawaii by Governor Ingram M. Stainback on December 1, 1949, brought sharply before the people of the Islands the mounting problems of unemployment and the need for coordinated community action. When the committee was appointed, more than 32,000 individuals were seeking jobs. They represented 16.6 percent of the labor force—in contrast to the low figure of 4,000 or 2.1 percent of the labor force unemployed at the beginning of 1948.

The reasons behind the rapid rise in unemployment which resulted in Hawaii being designated as an "E" area by the Federal Government are closely linked to over-all problems involved in rebuilding a normal economy after the many changes brought about by the war. Hawaii has a highly specialized economy closely geared to mainland markets. It sells sugar, pineapples, and services to tourists, armed forces, steamship companies, airlines and other mainland concerns. In turn, more than nine dollars out of every ten it spends to equip its industries, buy supplies, and maintain a modern standard of living are spent on the mainland.

In the last ten years, Hawaii has experienced a large population increase—there are now over 100,000 more people in the Territory than there were in 1940. During the war, the rise in the labor force was absorbed by the tremendous employment in the construction, maintenance, and operation of defense installations. Trade and service enterprises also flourished with the great influx of military personnel. Wartime employment in Hawaii reached a high of 200,000, including many housewives and even young people who would normally have been in high school.

Wartime diversion of labor to defense activities created a manpower shortage. Faced with the inability to meet their labor requirements, along with the need to remain in a competitive position with other sugar and fruit producing areas, the sugar and pineapple companies turned more and more to mechanization and streamlining of their operations. This continued after the war when return to normal



Harvesting pineapple.

Trimming and packing pineapple.

activity made development of new operational methods and improvement of old ones possible. The tourist industry ceased to exist between 1941 and 1946. Its revival in 1946–47 was delayed by the west coast maritime strike and again curtailed in 1949 by the 6-months waterfront strike in Hawaii. Not until the winter and spring of 1949–50 was the tourist industry able to operate at full capacity. At the close of the war, the pent-up demand of civilians for consumer goods, home construction, and services, backed up by buying power accumulated during wartime, kept employment at a high level. While employment in defense work underwent a gradual decline, there were no large-scale cut-backs in 1946–1947 and the labor force underwent a normal decrease as housewives returned to home life and young people withdrew to continue their education.

But in 1948, economic adjustment began to take place and unemployment rose gradually until it exceeded 13,000. Through 1949, there was a more rapid increase to a total of more than 33,000 at the close of the year. The immediate causes were a sharp decline in the employment of civilians by the Federal Government and in the number of military personnel in Hawaii; the long waterfront strike of 1949 which almost completely cut off the flow of goods and tourists to Hawaii and tied up millions of dollars worth of sugar and pineapple awaiting export on the piers and in warehouses; the return of the demand for certain types of consumer goods to more normal levels; and the end of the postwar boom in private construction.

In October 1948, the growing number of unemployed was studied with concern by the Territorial Employment Service Advisory Council, a group made up of representatives of management, labor, and the public. Dr. Harold S. Roberts, chairman of the Council and dean of the College of Business Administration at the University of Hawaii, prepared a long-range program for study and action in the event of serious or prolonged unemployment. It soon became apparent to the Council that the long-range planning could not meet the sharp upward trend in unemployment that developed in 1949. Therefore, the director of the Territorial Department of Labor and Industrial Relations recommended to the Governor that a committee be appointed to develop a community program to alleviate the situation.

The committee, under the chairmanship of Frank E. Midkiff of the Honolulu Chamber of Commerce, includes the executives from the sugar and pineapple industries, bankers, the director of the Territorial Employment Service, labor union leaders, territorial and city planning engineers, and the Hawaiian representative of the U. S. Department of Labor. Serving as regular advisors to the committee are James H. Shoemaker, vice president of the Bank of Hawaii and director of its Department of Business Research; H. H. Warner, chairman of the Industrial Research Advisory Council of the University of Hawaii; as well as Harold S. Roberts and E. B. Peterson.

For the initial meeting of the committee, a folder of basic information was prepared by the director of the Territorial Employment Service for each member. This material included nationally suggested programs for areas of serious unemployment, statistical reports on trends in the labor force, analyses by occupational classification, age groups, nationalities, etc. of the unemployed group, data on welfare statistics and trends. A chart listing all agencies in the community having programs designed to increase employment was also prepared. Purposes, accomplishments and future plans were outlined. From this chart, it was possible to study programs which were underway, eliminate duplication, and direct attention to problems that needed study and action.

Since its first meeting, the committee has met weekly to hear suggestions and recommendations from men and women representing many phases of community activity and to formulate plans for a program to alleviate unemployment. Faced with rapidly mounting

unemployment, the committee realized that immediate action was necessary as well as careful development of a long-range program. One of its first steps was to request that military services and other Government agencies be required to recruit first from Hawaii for their personnel needs for forward areas in the Pacific and Japan. The committee recommended that the Territorial ES be given full responsibility for the recruitment and be allowed sufficient time to certify those skills and occupations not available in the Hawaiian area. General Douglas MacArthur and his staff gave full support to this project as did several other Government agencies, and a number of individuals have found employment at Guam, Eniwetok, Okinawa, Japan, and other locations in the Pacific. Recruitment of labor for these areas is being continued.

The committee also gave support to a local program to promote employment through a renovation, clean-up, paint-up, repair and remodeling campaign. Further, it has urged the development of a civilian conservation corps program for Hawaii.

The implementation of the President's plan to assist "E" areas called for diversion of purchases of military supplies to such areas. This formula did not fit Hawaii as such supplies are not manufactured here. However, the Full-Employment Committee and the Chamber of Commerce have stressed the need for action on a formula that would fit Hawaii; that is, (1) no further cut-backs in the size of military establishments or in the number of civilian employees there, (2) an increase in the volume of ship repair in Pearl Harbor, (3) the "moth-balling" in the Territory of ships not in service, and (4) the use of the Hawaiian area as a base for "war games."

These immediate steps by the committee represented only a beginning in the attack on the unemployment problem. A much larger program is essential if lasting realistic solutions are to be found. The plans of the committee in cooperation with other groups in Hawaii may be divided roughly into community action, territorial action, and Federal action.

Community planning has already resulted in the creation of a fund of approximately a million dollars to be spent over a 2-year period to rapidly expand the tourist business. A study is in progress to develop a better organization of many of the Hawaiian handicraft industries with larger employment in these industries and a wider sale of their products as its goal.

Further efforts to add employment and economic stability to the Islands are being made by the sugar industry. The research staff of the Hawaiian Sugar Planters' Association is working on the development of byproducts from sugarcane. Studies are well under way leading to the utilization of sugar byproducts for livestock feed with a resultant increase in the food production of the Islands. Cane fiber is being considered as potential material for box manufacture and investigations are being carried out on the possible chemical and plastic applications of converted sugarcane wastes. Previously, the cane was utilized only for its sugar content and a limited

This cane harvesting machine is believed to be the nearest solution to the problem of cutting, picking up, and windrowing sugar cane on the wet fields of unirrigated Hawaiian sugar plantations. It represents 4 years of research work done by the agricultural engineers of the Experiment Station, Hawaiian Sugar Planters' Association.

amount of cane fiber was employed in wallboard manufacture.

Studies are also under way in the mainland marketing of Island fruits, flowers, and plants. It is already evident that the orchid industry has a substantial potential mainland market. Another group is working to improve Hawaii's tuna-packing industry—seeking new fishing grounds and improving the supply of bait upon which the tuna catch depends.

The Territory is already supporting a large public-works program and a further study is being made to determine the extent to which additional public works can be supported. If additional projects can be undertaken, the committee has recommended that first priority be given to those that will add to the productive resources of the Territory and create a permanently higher level of employment (water conservation, irrigation, and reclamation).

The formation of a proposed Federal public works program has been undertaken by a small group established by the Full-Employment Committee so that it will be ready when needed. To implement the work of the committee, which has no paid staff and whose members have a limited time at their disposal in which to do detailed research, a "task group" has been set up. The membership of the group illustrates the fine cooperation given the committee by Government and private agencies in the Islands. The services of statisticians and economists have been given to this "task group" by the Bank of Hawaii, the Hawaii Employers Council, Castle & Cooke, Ltd., the Department of Public Welfare, the Legislative Reference Bureau, and the University of Hawaii. Dr. James H. Shoemaker of the Bank of Hawaii is the chairman of this group. The "task group" is studying the

(*Continued on page 28*)

Expanding Employment in Michigan's Upper Peninsula

By **ALBERT J. GAZVODA**

Michigan State Employment Service, Hancock, Mich.

THE Michigan Unemployment Compensation Act states one of the duties of the Commission to be "* * * to promote the reemployment of unemployed workers throughout the State in every * * * way that may be feasible; and to these ends to carry on and publish the results of investigations and research studies."

This wording of the act places direct responsibility on our agency to combat unemployment. It places no limitations on the scope of activities to accomplish this objective.

In our State we have areas of high industrial activity with peak levels of employment and also localities where economic conditions compare with the dark days of the early thirties. Recognizing this situation, Governor Williams has taken action to combat unemployment in areas experiencing economic ills by organizing a State Full-Employment Committee which, in turn, encourages the formation of groups to serve our various local communities.

Focus on Copper Country

In the early stages of the full-employment program that was carried out in Michigan, we centered considerable attention on the area in the upper peninsula known as the "Copper Country" which comprises four counties, namely, Houghton, Baraga, Ontonagon, and Keweenaw.

In May 1949, one of our largest copper producers suspended operations, laying off approximately 1,600 men. Sawmills were experiencing some difficulty in disposing of their inventories, particularly low-grade lumber, and were laying off workers with a resultant curtailment of woods operations. This situation prompted the formation of one of the first area full-employment groups in the State of Michigan. This group began to extend its efforts toward eliminating our existing unemployment by doing everything possible to reopen our copper mines and find a market for low-grade lumber. The group, backed by the local citizenry, tossed the problem of the local copper producers directly into the laps of State and Washington officials. Legislation was proposed to assist high-cost producers with their operations.

About August 15, 1949, conditions improved in the copper market to the extent that mines reopened and all persons who were laid off in that industry returned to work. At the present time, legislation on the Federal level is still being considered which, if enacted, would greatly assist us in stabilizing employment in the copper mining industry.

During the time emphasis was being placed upon the reopening of our copper mines, our State full-employment group notified us about a contract that was to be let for grain storage capacity by the Department of Agriculture. Upon learning about the Department of Agriculture's program, we explored the possibility of using some of our low-grade lumber for their storage bins. As a result of a special mission to Washington by a local representative of the full-employment group, a wood fabricator was awarded a contract for 75 storage bins using a total of 1,300,000 feet of low-grade lumber. Employment was provided for 120 persons for a 3-month period in the manufacture and erection of these bins. By using up a large amount of low-grade lumber, sawmills continued operation through the fall and winter months and lay-offs of up to 150 were prevented.

The next step undertaken by the Copper Country committee was to try to create jobs for currently registered unemployed in our local offices, representing roughly 15 percent of the total labor force.

A considerable amount of thought was given to a program of promoting new industries for the area. It was found that this field of activity was highly competitive. Many communities, States and powerfully organized promotional groups, with plenty of financing, are in the field promoting new industries for their areas. Some concessions being offered these industries were such that our group was forced to deemphasize, to a certain extent, their new-industry promotional activities.

Build Up Our Own

Our full-employment group decided that one of the best ways to solve the unemployment problem was to build up and encourage industries already operating in our area. We arrived at this decision after being informed about numerous problems our own manufacturing establishments were encountering in the field of financing, marketing, production and lack of plant facilities for expansion.

In November 1949, our group called a community-wide meeting of individuals interested in the program of full employment for the area. The response was very gratifying, with a good cross section of business represented at this meeting. The results of this get-together further substantiated our committee's original decision to help attack the problem of our local business. Representatives of 15 small manufacturing firms, employing 182 workers, indicated that 330 additional workers could be added to their existing

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Copper Country, end of Highway U. S. 41. The other end is in Florida.

payrolls if some assistance could be obtained. Our group went to work on creating 330 jobs.

The number one problem, we learned, was the marketing of products being produced locally. A number of manufacturers had excellent items, but lack of proper contact facilities with major market outlets curbed the output of their plants. Six plants sought assistance in marketing their products. About 143 individuals would be added to the payroll of these plants if their production could be disposed of through established channels.

Another problem confronting the employer was the lack of capital for plant expansion. Risk capital was not easily obtainable through the local banks. Five firms indicated that different amounts, varying from $3,000 to $50,000, would add 112 persons to their payrolls. Two firms desired larger plant facilities with a promised increase of 75 workers if we could assist them in locating larger quarters. These requests were comparatively easy to fulfill. Arrangements were made for new locations in the area within a very short time.

Marketing and financing problems of our industry required some original thinking toward solution on the part of our Full-Employment Committee. Up to the time difficulty in financing local small business was called to the attention of our group, little was accomplished in our localities toward getting information about government loans, particularly from the Reconstruction Finance Corporation.

After a representative had visited the Washington headquarters and the Minneapolis regional offices of the RFC, a clearer understanding could be given to interested groups on the policies of that agency. Almost immediately requests for expansion capital began coming into the RFC. Local banks which formerly were cool to RFC participation began to accept these requests. At this writing, one loan has been approved and plant expansion is under way. Two applications for loans are in process. Two requests are being prepared for processing. Ultimately we hope to accomplish our goal of 112 additional jobs as a result of assistance in getting additional finance for our firms.

Shaft house of a one-time Michigan copper producer—Quincy Mining Co., Hancock, Mich.

Our marketing program called for a certain amount of attention on a specialized basis. We have formulated a nonprofit sharing corporation by raising funds locally. This money is being used to employ a representative who is constantly on the road contacting market outlets. When a sale of a product results from the efforts of the sales representative, the manufacturer is charged a fee which is credited to the treasury of the nonprofit corporation. Eventually we expect that the fees derived from this service will be sufficient to make the corporation self-sustaining. Any money over and above the actual cost of operation will be used for general advertising of our area products and for other purposes designated by the executive board.

We are now in the process of lining up accounts and bringing in items or ideas that can be put into production locally. During the past 2 months, we concentrated upon at least three items and early indications of results of our efforts look promising.

A considerable amount of time and effort was given to putting the business of a manufacturer of a prefabricated home on an increased operating basis. Our group enlisted the aid of the forest research department of the Michigan College of Mining and Technology to assist this manufacturer in preparing his housing specifications to meet FHA approval. Since getting FHA sanction, sales have been exceptionally good; at least 50 additional workers will obtain steady employment with this firm and possibilities of further expansion are even brighter.

The phase of the full-employment program which calls for assisting local industries to help themselves will be found most interesting. With this approach, you find interested citizens enthusiastically participating in a program which will undoubtedly lend some assurance to the future of the community and their future as well.

During the past few months, I have satisfied myself that other areas in the Upper Peninsula have similar problems of employment which can be alleviated

through expansion of existing industries. We are in the process of organizing the city of Iron Mountain into launching a program that will primarily tend to aid local business. Other communities in the Upper Peninsula have expressed similar intentions of organizing their forces to combat the problems of unemployment.

I have been given the opportunity by my agency to do a considerable amount of work in connection with our Peninsula-wide marketing program. My duties involved working with the bordering States of Wisconsin, Minnesota, and Illinois. In the larger cities of these States, namely, Milwaukee, Minneapolis, St. Paul, Duluth, and Chicago, it was found necessary to enlist the aid of some local employment offices in carrying out my assignments. The staffs of these local offices were unusually courteous and helpful in extending facilities and suggestions which made my work less difficult.

Information was obtained from as many individuals as possible who were recognized in their present positions as experts in the field of marketing. The reaction of these individuals to our attempts to help our communities solve their unemployment problems was exceptionally favorable. As the result of these conferences I have acquired a better knowledge of problems of marketing in addition to making available for local full-employment groups the names of individuals who are responsible for purchasing in large organizations. Many of these individuals have volunteered to be of service in extending whatever information they can which will benefit our full-employment program. It is noteworthy to state that at least 20 individuals were contacted in person or by phone in various cities in conjunction with our marketing program. We have yet to meet the first "cold shoulder" in our efforts.

From a national economic standpoint, little benefit is derived from a program of new industry promotion where indiscriminate techniques are employed to better employment conditions in one area, at the expense of creating unemployment problems in another.

Our approach to solving our community or area unemployment problem, with emphasis on expanding existing local industries, should and will provoke considerable discussion pro and con. In the meantime we hope to continue with our version of the full-employment program by showing our communities a little light so they can find their own way.

Cheboygan Faces Up to Its Unemployment Problems

By **MYRTON M. RIGGS**

Editor and Publisher, Cheboygan Daily Tribune, Cheboygan, Mich.

WHEN unemployment soars, business is off, and the future looks dark in any community, one of two things happens. Either it goes right on that way or the townspeople roll up their sleeves and do something about it.

Cheboygan chose the latter and thus today a program is underway in this little Northern Michigan city that gives promise of finding a remedy for its own economic ills.

But let's get back to the beginning of the story and trace the cause and developments that resulted in a united Cheboygan launching a movement to pull itself up by the bootstraps.

During the war years and through 1947, new plants started manufacturing operations which with the existing local industry provided ample employment for all of Cheboygan's labor force. Four of the new plants turned out implements of war; others manufactured stoves, refrigerator parts, tools and gages, camera cases, tool-dies, and automobile parts.

With the war ended, the area's four defense plants closed down and later the stove and tool and gage industries. The refrigerator parts industry, which had been operating in crowded quarters here, was attracted to another city through a building offer which Cheboygan was unable to match.

From the group of nine new industries only two continued to operate. By 1948 other local industries were operating under curtailed schedules for the leveling-off period had set in and unemployment was mounting steadily.

If the future only appeared dark during 1948, all shadow of doubt was removed on the day before Christmas when the paper mill management announced closing of the mill. This was the largest industry in the Cheboygan area.

But employment prospects brightened up again in January 1949 when a textile firm announced plans to open in Cheboygan—an operation that would provide jobs for 400 workers. This ray of hope however was short-lived; the industry was to be operated by one of the owners of the paper mill who announced

he would delay opening of the textile plant so he could concentrate on reopening the paper mill.

Unfortunately for Cheboygan the paper mill remained closed most of 1949 and the textile industry never did open. As the months went by unemployment was still mounting, the industrial picture continued dark, but Cheboyganites had come to the conclusion that something must be done.

Cheboygan Asks for Aid

It was now late in 1949 and the story of Muskegon's plight was as well known in Cheboygan as it was elsewhere throughout the Nation. If Muskegon could be declared an area of critical unemployment and derive some benefit by its industries turning out orders for the Government, Cheboygan could do likewise, so many of the townspeople thought. Accordingly, the mayor of Cheboygan made application to the chairman of the Governor's Full-Employment Committee to come to the aid of the city.

Meanwhile a Cheboygan group headed by Mayor Sangster and Manager Sullivan of the Cheboygan branch of the Michigan Unemployment Compensation Commission, and which included members of the city council and chamber of commerce, organized the Cheboygan Improvement and Development Association to determine whether Cheboygan's plight warranted its classification as an E area and assistance under the President's program for channeling Federal procurement loans and other activities into areas of serious unemployment.

After a thorough survey of unemployment problems, the Full-Employment Committee announced its findings at a meeting with the Improvement and Development Association. A labor market report was sent to Washington and Cheboygan was designated an E area. It was at this time that Cheboygan had either to go along as it had been poing or face up to its problem and actually do something about it.

This proved the turning point, for the Michigan UCC had not only sent three very keen analysts to Cheboygan to report on the findings but three master salesmen. These men were James Jones, director of Research and Planning, Detroit, O. K. Fjetland, director of Employment Service, Detroit, and Cyril Smith, local area supervisor, Petoskey. They thoroughly convinced the Cheboygan group that the real cure for the community's unemployment problem was not outside aid but an all-city effort to attract new industry, assist existing local industry, and to further develop the area's tourist and resort industry. Equipped with this sage advice the City Council engaged Dave Seeley as an industrial representative for the city. Although the Cheboygan industrial program has been under way only a few months, it is now beginning to show results.

Jobs Will Go to Home Folks

Machinery for one new industry arrived here in May. The industry manufactures stampings for a large automobile firm. On arrival the huge punch presses and other equipment were set up in temporary quarters and made available by the city council until construction of a new factory building could be completed. When production begins, the new industry expects to employ approximately 60 workmen, all of whom will be drawn from the ranks here.

Negotiations are also in the homestretch with two other industries. If Cheboygan is successful in attracting both of these industries, they will provide employment for 85 workmen.

None of the industries contacted is large. Cheboygan folks believe the area's employment situation will be more secure if a number of small plants rather than one large firm can be obtained.

As the industry-seeking campaign continues, a good prospect list is being established. Follow-up calls on these prospects are made at regular intervals by the Cheboygan industrial representative.

Perhaps it will be of interest to know where Cheboygan turned to find its industrial representative. Probably with good reason many communities planning a similar campaign would start combing the country for someone with a proved record based on past experience in working with industry. It might be considered, with good reason, too, that the right man must of necessity have engineering ability or have an outstanding record in chamber of commerce work or similar skill.

In Cheboygan the search for such a man started and ended in its own "front yard." When the city council engaged Dave Seeley it was giving the job to a local man whose qualifications consisted of ample knowledge of his home community and what it had to offer prospective new industries, and who, in addition, had plenty of ambition, enthusiasm, and determination.

Cheboygan's campaign to get more industry to relieve the unemployment problem here is also backed by wholehearted cooperation of local business and professional men who have pledged funds to erect new factory buildings.

Incidentally, when the local group pledged funds to provide a building for a new industry, one of the established industries offered to increase its production and provide more employment if its quarters could be enlarged. Consequently plans have been drawn for an addition to a Cheboygan factory building, to be provided by the cooperating Cheboygan business and professional men. According to present indications about 80 more workers will be employed when the factory addition is completed. Through a plan completed recently the addition will be purchased by the existing Cheboygan industry and the cooperating business and professional men will then use the revolving fund to erect another factory building which will be available for some other industry.

Cheboygan's efforts to solve its own unemployment problem are by no means confined to a search for new industry. In its plan to improve employment and business conditions in the area, Cheboygan is

(Continued on page 34)

The Mesa Office, being centrally located and beautifully designed, makes an ideal headquarters for the committee.

Arizona . . .

Pioneering the Community Employment Committee

By **ROBERT SHORT**

Manager, Arizona State Employment Service, Mesa, Ariz.

NOT many of our colleagues were visibly surprised when Mesa announced the formation of the first Community Employment Committee in the State. We, in the local office, watched the idea take root and expand. In the early stages it needed considerable attention—as do all growing things—and we stood patiently alongside the furrow with our bag of fertilizer (speaking figuratively, of course) and water bucket.

Then, one day, we discovered that the plant had grown to such proportions that it compared favorably with Jack's bean stalk! Naturally, we paused to acknowledge a word of praise and a pat on the back; but the comment most appreciated came from another local office. "It's no more than we expected," the manager declared. "Mesa is the most civic-minded town in the Southwest. They're always first!" It must be admitted that any task is less difficult in a locality of this kind. However, under the best of conditions, the building and operation of a Community Employment Program requires careful planning, a thorough knowledge of the area served, and a full understanding of the desired objectives.

Mesa, with a population of 16,000, would be a small town in some parts of the country. But no resident will let you forget that the "old home town" is the third largest city in Arizona—exceeded only by Phoenix and Tucson.

The same civic pride extends to other towns and villages in the local office area. It is estimated that

Planning the Community Employment Committee. Left to right: Robert Short, manager of the Mesa local office, Arizona State Employment Service; Jack Harris, committee chairman and program director of Radio Station KTYL; and William Menhennet, manager of the Mesa Chamber of Commerce.

the total population is 50,000 when one counts Chandler, Gilbert, Queen Creek, and Williams Air Force Base. Geographically, this southeast corner of Maricope County spreads out over 504 square miles.

Thus it was realized that our Central Committee would have to be one which would not only include all organizations but also be representative of industry—the major divisions being agriculture, wholesale and retail trade, and service. The local office manager was already serving on an "Industrial Committee" under the sponsorship of the chamber of commerce; and, after observing the aggressive manner in which this group operated, it was evident that employment stabilization would only be another step in the original idea of industrial expansion.

Everybody Willing to Serve

However, the Community Employment Program, with all its ramifications, began to require more time. We found it necessary to "bring more partners into the firm." Aside from the time element, it permitted us to obtain wider coverage in the community and more specialized talents for the development of subcommittees. We soon had a committee membership of 35 persons, compared to the 10 who started as charter members. Of those approached on the matter, not a single one asked to be excused. It was a most gratifying example of civic cooperation; still, to quote our good friend again, "It's no more than we expected."

Mr. Jack Harris, program director of Radio Station KTYL, was chosen to serve as chairman. He immediately called the group together, provided a history of employment and unemployment trends, and outlined some of the aims which seemed worthy of consideration. The committee includes a representative from all the clubs, veterans' organizations, radio, newspapers, the Employment Service, and various business establishments.

Subcommittees were appointed to deal with specific phases of the program. Thus far three have been set up: Veterans' Employment, Placement of the Handicapped, and Jobs for Women. Each is composed of seven members. The spirit of friendly competition already developed between the groups is something that gives promise of greater things to come.

According to present plans, a subcommittee will meet every month on a rotating schedule. This will reduce the need for general meetings to a frequency of about 3 months. In addition to activities of a routine nature, each of the subcommittees will be given an opportunity to plan and conduct a general meeting at least once every year. This seemed like a wise move on the part of chairman Harris because it allows him to delegate a large part of his responsibility. At the same time, it allows the subcommittee to throw its problems before a larger audience for debate and cogitation.

It has also been a policy to seek the advice of experts on various matters, especially when the members are somewhat evenly divided over an opinion or a solution. For example, the suggestions of a professional citrus canner were sought in regard to the feasibility of promoting a juice plant. This gentleman gave evidence that he knew the subject from A to Z and the figures he presented were indeed helpful.

We are pleased to note that the "Jobs for Women" subcommittee is meeting in the conference room of the local office while this article is being completed.

From the grapevine, we understand they have a hefty agenda—including the possibility of establishing a school for baby sitters and domestic workers, and other projects. Under the able leadership of Clara B. Emmett, this subcommittee is 6 weeks ahead of schedule.

The subcommittee on placement of the handicapped is finishing a sizable amount of ground work preparatory to taking over the general meeting in September. (The veterans employment subcommittee has already spoken for the July confabulation.) This is well because September is considered the best time to bring out the heavy artillery for National Employ the Physically Handicapped Week.

Some members have requested the launching of subcommittees on farm employment, job development for young people, and the employment of persons over forty. All these suggestions are excellent and will undoubtedly help to shape our future policy. Nevertheless, the majority of our group are firm believers in the "Make haste slowly!" motto. Those with more experience in these matters point out, and rightly so, that a solid foundation is very important in a long-range undertaking. It would seem, therefore, that the instigators of this movement will have little prodding to do. In fact, our job will be primarily to encourage restraint, along with resolute purpose, so that our usefulness will grow from year to year and leave its mark upon the character of the community.

Arizona . . .

The Clinic Approach to More Jobs

By **WILBERT J. SOLTAU**

Manager, Arizona State Employment Service, Casa Grande, Ariz.

THE Community Employment Program was launched in Arizona late in the summer of 1949. Instead of the Employment Service setting out on its own to initiate such a program, we coordinated our efforts with another established organization known as Greater Arizona, Inc. (GAI), with the approval of the Employment Security Commission of Arizona, the regional office, and the Governor of the State. This was a more feasible arrangement since GAI was already functioning on a nonprofit, nonpolitical basis, and the organization's primary purpose is to promote the economic development of the State as a whole.

Greater Arizona, Inc., is organized on a State and county basis in that there is a State chairman, vice chairman, secretary-treasurer, and an executive manager. Each county has a director, and these county directors plus the State officers make up the board of directors. There is a State Advisory Board consisting of 25 individuals representing schools, Government, agriculture, press, labor, management, etc. The director of the Arizona State Employment Service serves on the State Advisory Board. The county directors have advisory boards too, so that the organization is able to carry its aims and purposes into every community in the State. The organization is supported entirely by private funds in that membership fees are charged and the money is used to promote and develop the economy of the State, counties, and communities. The executive manager and his secretary are the only paid employees whereas the remainder of the officers and board members serve without charge.

When the patient is ailing, medical men call for a complete check-up. So, too, with a State. When its economy sags, its pulse of business misses a beat, or its growth momentarily is stunted, then a diagnosis and remedy are demanded.

Nothing less ambitious than a complete examination and reorganization of Arizona's economy was to be undertaken by Greater Arizona, Inc. One of the methods devised for achieving this is the "county clinic" where the assets and liabilities of each county are analyzed. These sessions are held in the county courthouse in true courtroom style and, if possible, with the local judge presiding. The clinics last 2 days and are open to the public. There is a well-planned program with local residents and out-of-area specialists, if necessary, discussing all phases of the county economy. An appointed jury of State and county leaders listen to the evidence and at the end of the clinic this jury goes into conference to decide upon a verdict of recommended action on projects that should be undertaken for the improvement of the county. The combined verdicts on problems of each county and their solution will give the answer to a greater prosperity for the State as a whole.

Calling attention to the fact that the principal elements in the State's economy—agriculture, stock-raising, and the nonferrous metals industry—cannot provide jobs for an ever-increasing population, GAI has stressed in its county clinics that fresh attention be given to diversified processing enterprises. Primary success of the clinics has been more than gratifying. Counties bare their problems and GAI experts, together with the local citizens making constructive criticism and profitable suggestions, already have corrected some of the situations. At the clinics,

Courtroom scene of Pinal County Economic Clinic sponsored by the Greater Arizona, Inc., in Casa Grande. Left to right: County Agent K. K. Hennessey testifies on agricultural needs; Don Lockwood, chairman of the clinic, and jury members: L. C. Cassady, director, Bureau of Business Research, University of Arizona; State Senator Hubert Merryweather; U. S. Senator Carl Hayden; Congressman Harold A. Patten; back row: Herbert A. Leggett, V. P., Valley National Bank; James A. Rork, director, ASES; E. C. Corbell, field representative, U. S. Department of Commerce; K. S. Wingfield, Arizona Power Authority; and Miss Lois Rogers, Arizona Educational Association.

local witnesses delineate the positive and negative aspects of the economic situations and GAI assembles State leaders as counsel.

Greater Arizona, Inc., holds an economic clinic in a county by request and through the cooperation of local chambers of commerce, civic groups, social clubs, and interested prominent citizens. Upon an invitation from these groups, GAI's executive manager will meet with the local citizens and assist in the organization of an economic survey for their county.

Pinal County is located in the south-central part of Arizona. The economy of the county is divided into two sources, non-ferrous-metal mining in the mountains of the north, and agriculture in the flat irrigated area of the south. The principal metal mined is copper, and the principal agricultural crops grown are cotton, vegetables, and small grains, with cotton being the big cash crop. Two transcontinental highways carry over five million people a year through Pinal County. Casa Grande is located in the heart of this farming area and on the southern transcontinental highway. With cotton the principal crop, a small army of approximately 30,000 migratory workers is needed at harvest time.

On October 27, 1949, the Casa Grande Chamber of Commerce asked GAI's executive manager to meet with representatives of chambers of commerce, civic groups, social clubs, and interested prominent citizens of all the larger towns in Pinal County to work out the details of an economic survey for the county. GAI's executive manager explained the purpose of the clinic and he spoke of the success the clinic had met with in other counties, such as the bringing in of new business, expanding old established firms, and in some cases legal technicalities had been solved which allowed for expansion of business. In working out the details for this economic survey, the first step was the listing of the county's assets and liabilities or needs. To accomplish this and to insure that a cross section of the county was represented, all persons present were asked to express themselves.

The natural second step was the formation of a planning committee. This committee would meet and select the town in Pinal County to act as host to the clinic, the date that it would be held, and the agenda for the meeting. The agenda, to tell the complete story of the county, must include all the assets and liabilities of the area. The planning committee was responsible also for choosing the speakers who could talk with a thorough knowledge of the topics listed. A representative from each of the communi-

ties in the county was asked to serve on this planning committee.

The planning committee met on November 3, 1949, and determined that Casa Grande would be the site for the economic survey of Pinal County and the date for the clinic was set for November 28–29, 1949. The committee also worked out the following agenda as being truly representative of the assets and needs of the county.

PINAL COUNTY ASSETS

1. Mineral resources.
2. Boyce Thomson Arboretum.
3. Agriculture.
4. Electrical power.
5. Stockraising.
6. Scenic and climatic assets.
7. Human resources.
8. Education.
9. Rehabilitation institutions.
10. Indian reservations.
11. Arizona Children's Colony.

PINAL COUNTY NEEDS

1. Venture capital in mining industry.
2. Roads and highways.
3. Cotton and acreage allotments.
4. Diversified farming.
5. Small industry.
6. Coordination of power facilities.
7. Mail and air facilities.
8. Utilization of Coolidge Army Air Base.
9. Area beautification and improvement.
10. Hunting, fishing, and recreation.
11. Hotel and visitor accommodations.
12. Irrigation.

As manager of the local employment office, I was invited to take an active part in the organization and preparation of the clinic. I accepted this invitation with enthusiasm since there had been several discussions concerning the Community Employment Program in Arizona and here was an opportunity to get in on the ground floor. I attended the first general meeting at which members of the local chambers of commerce, civic groups, social clubs, and others decided to invite Greater Arizona, Inc., to conduct an economic survey in Pinal County. It was at this meeting that the chairman called for suggestions from the floor as to the assets that favored Pinal County and the needs of the county. I suggested the untapped labor supply in the county as an asset, insamuch as industry expansion is impossible without labor to man it. The planning committee decided to entitle the topic, "Human Resources," and asked me to prepare a 25-minute talk to present to the jury at the clinic.

In my presentation to the jury my opening statement was: "Pinal County possesses, and has available from outside sources, sufficient human resources or employable persons to serve any future eventuality in industry, trades, and farming." To further substantiate my statement numerous letters of inquiry received at the local office asking about the possibilities of obtaining steady employment in Pinal County were part of my discussion. I selected several letters at random and read them to the jury, pointing out a potential source of labor that is available to employers in the county. More proof was offered by selecting several application cards from our local office files and I explained the types of skills that are available immediately. Also, I cited examples of persons presently employed in the county, but who are employed below their skills, as a source of skilled labor.

Many of the persons assigned other topics on the agenda called on the local office for suggestions and recommendations for their topics. We cooperated with all of them, but special attention was given the persons representing the need for small industry since we felt we could more ably assist these.

Over 250 people attended sessions of the clinic at the Casa Grande High School auditorium Monday and Tuesday. Prominent people from all over the State, some of whom took part in the clinic and others who were interested in the economic status of the county, were attracted to this clinic. Monday morning was devoted to discussions on the economic assets of Pinal County and in the afternoon, problems or liabilities were presented. Among the Greater Arizona "jurors" at the Pinal County Clinic were the State's United States Senator, Carl Hayden; James A. Rork, director, Arizona State Employment Service; and qualified representatives of State financial institutions, labor, education, industry, and civic life.

After the presentations were made, the jury came up with the following specific recommendations for our county:

1. Diversified farming.
2. More tourist attractions.
3. Feeder airlines.
4. Star mail route.
5. County farm paper.
6. Transient cattle feed pens.

The recommendations that have materialized since the clinic are:

1. Diversified farming.
2. County farm paper.
3. Transient cattle feed pens.

It was a natural set-up that the planning committee should become the nucleus of the local Community Employment Committee in my local office area. The Community Employment Program Committee has been formed and we are following up on the other recommendations.

We, of the local office in Casa Grande, feel that this was a most worth while experience for us and that the Employment Service gave its share to the community. The Employment Service gained through new employer accounts with additional orders and placements, and we have more nearly fulfilled our community participation responsibility.

As of this writing, Greater Arizona, Inc., has held 7 clinics which included 8 of the 14 counties in Arizona. One clinic was a combination of Graham and Greenlee Counties and a future clinic possibly will combine Navajo and Apache Counties. Community Employment Committees are functioning in all counties with the exception of two, and these will become active within the next 30 days since the preliminaries have been worked out and the foundation has been laid for their organization.

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Community Employment Program at the Local Office Level

By PHILLIP C. BOWMAN

Manager, Arizona State Employment Service, Flagstaff, Ariz.

COCONINO COUNTY, of which Flagstaff is the county seat, is the second largest county in the United States, having an area of 18,238 square miles. The Navajo Indian Reservation contains 16,864 square, miles. This is an area as large as the State of Indiana. Within the county are located five distinct communities, the closest to Flagstaff being Oak Creek Canyon, 25 miles to the south; the farthest, the "Strip," that area north of the Grand Canyon, sometimes forgotten by Arizona and not a part of Utah and located 250 miles from its county seat. The distances are indeed tremendous and the population is small in the Flagstaff Office area.

Thus, it was with some misgivings that this office inaugurated the Community Employment Program early this year. Isn't this a job for the chamber of commerce? How can we find time to do all the promotional work that will be needed? Would the community leaders take time from their fraternal orders and business to do the necessary planning that this program calls for? These were some of our first reactions to the Community Employment Program when it first reached our office in the form of State Information Bulletins, copies of letters from Secretary of Labor Tobin, from Robert C. Goodwin, John R. Steelman, and from Gov. Dan E. Garvey of Arizona.

Soon the idea began to click. We were well aware of the rising unemployment figures. We had wondered just what we would do in our own county if the lumber mills failed to reopen after their usual winter shut-down. What would happen if the tourists failed to arrive? These things were not impossible. We had already noted that the tourists were not spending as freely as they did during the first few years after the war. They were buying cheaper novelties, instead of the expensive Indian jewelry and rugs. Who would take the lead if a sudden recession set in? This group cannot have a selfish interest and it must represent the entire area, not just one community.

We Were Primed for the Job

Fortunately, we had labor statistics in our own office. We had the acceptance and respect of the community. No one could accuse us of a selfish motive. We knew and worked with labor, management, and civic groups. The Employment Service would be right at home in such a program.

With this in mind, we carefully edited sections of the EMPLOYMENT SECURITY MANUAL on community participation and mimeographed a two-page statement of the purpose of the Community Employment Program, action that could be taken and results that we could expect. We then constructed a letter which briefly stated the purpose of the Community Employment Program, put in a bit of flattery to appease the individual ego, and set the time and place for the first meeting. This letter was then mailed to a cross section of the county leaders, and we held our breath, wondering what sort of a turn-out we would have. Our reputation was at stake, for we had invited William Chamberlain, executive manager of Greater Arizona, Inc., the cooperating State-wide organization, and John S. Curtain, supervisor, Arizona State Employment Service, northern area.

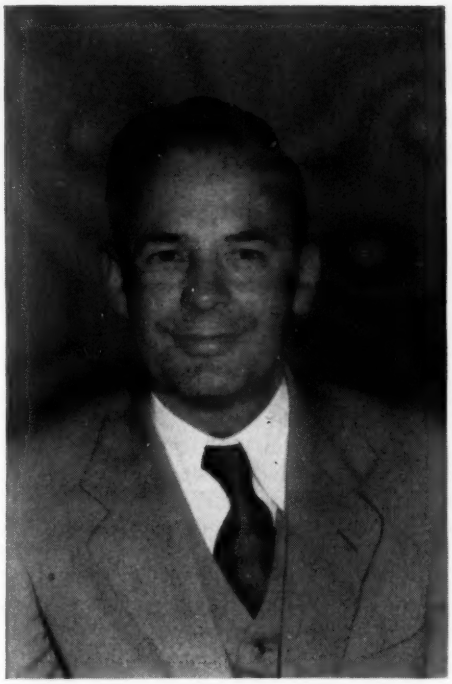
Ninety percent of those invited either attended or expressed interest. The time and conditions were right for such a meeting. Business was at a low point, credit collections were down, and approximately one-half of our labor force was unemployed for the winter. This is not unusual for northern Arizona, for this area is highly seasonal with all industries dependent upon the weather, but this fact coupled with the slight recession in lumber in June 1949, and the constant flow of press releases telling of the rising unemployment over the Nation, apparently had the people of Flagstaff and Coconino County worried and they were only waiting for someone to take the lead and call for action.

The meeting was held in the good old-fashioned free-for-all "town-meeting" style. Everyone was urged to express himself and they all did. Some made excellent suggestions, some were impractical or visionary, others made bitter insinuations, but at least everyone had something to say.

Naturally nothing could be decided in such a meeting, but the ideas, suggestions and criticisms were recorded and turned over to a steering committee, headed by the county chairman of Greater Arizona, Inc., and with the manager of the local office as secretary. This committee went to work. It met frequently, usually in the late afternoon, often necessitating phone calls to postpone the dinner hour.

It was soon found that all suggestions and ideas

(*Continued on page 28*)



O. B. Railey.

California Develops Its Basic Economic Information

By **O. B. RAILEY**
Chief of Research and Statistics
California Department of Employment

DURING the late winter and early spring months of 1949, California had had the highest unemployment ratio of any large State in the Nation. The monthly review of employment prospects made for Governor Warren in October 1949 showed no reason why unemployment in the early months of 1950 should not be expected to exceed the high figures of 1949, and there were no positive indications that the situation would improve in the long run.

In order that the best thinking of management, labor, and Government would be brought to bear on both the immediate and long-range problems affecting a continued increase of employment in a rapidly growing State, the Governor of California called for a meeting in early December 1949, of some 2,000 representatives of labor, management, and Government to constitute a conference on employment.

Very early in the planning stage for this conference it was recognized that if the problems were to be considered on a factual basis, a large body of information would have to be made available upon which intelligent discussion could be based. For this reason, one of the first decisions of the conference advisory committee was the creation of a research committee to make pertinent factual data available.

The fact that California's labor force and economy had grown so greatly since the time of the 1940 census, with major distortions in both the geographic and industrial distribution of employment, made it essential that current data and information on recent trends be secured. This growth also made it more difficult to obtain the needed information.

An important factor which made this difficult problem somewhat easier was the existence of an Interdepartmental Research Coordinating Committee created by Governor Warren in 1945 and composed of the heads of the research and statistics programs in some 10 of the larger State departments. The committee had met regularly for 4 years, so that its members had developed ways of working together easily. This committee formed the basis upon which coordinated research work by the State departments could rest. It also formed the nucleus for the overall project, which was aided very materially by contributions in specific fields from Federal and local agencies, from the University of California, and from private organizations.

The Research Committee, headed by M. I. Gershenson of the California Department of Industrial Relations, decided early that the most effective work could be done by assigning fields of inquiry to each of the participating agencies, rather than research on an industry-by-industry basis, or on the basis of particular problem groups, such as veterans, minority groups, older workers, etc.

Using this basis of allocating work, the Regional Office of the Department of Commerce could be called on to provide information in fields it had studied most thoroughly, such as current business and employment conditions in California, population changes and migration into California since 1940, etc. The State chamber of commerce could be asked to summarize the data it had been gathering on a regular reporting basis about manufacturing plant expansion in California, and the University of California could

be assigned an analysis of the foreign-trade aspects of California employment.

When the problem of basic information was thus analyzed, and the full cooperation of all agencies was secured, the Research Committee found that the fields of inquiry of the several agencies were surprisingly wide, and virtually all of the pertinent information needed by the conference was available or could be assembled easily. Most of the basic information assembled for the special use of the conference was prepared from existing information and very few special studies had to be undertaken.

Study Jobs and Workers

Among these special studies was one of characteristics of Unemployed and Job Openings, undertaken by the Department of Employment and covering all persons seeking nonfarm jobs through local offices of the Department between October 31 and November 4, 1949. This furnished reasonably current information on the characteristics of job applicants and of the jobs which were available to them through the Department of Employment. Because similar studies had been made in the past, some measure of the changes in the characteristics, as well as numbers of openings and applicants, was possible. At the same time, because the Department of Employment had previously worked out a joint arrangement with the Bureau of Old Age and Survivors Insurance by which data on the characteristics of the insured work force in California had been assembled, it could provide the conference with some basis for interpreting the meaning of the data for job applicants.

It would not be profitable to list all of the 35 subjects covered in the assembled basic information, but some indication of their scope might be of interest. The topics, selected more or less at random, included "Income Payments in California, 1940–48," "Water Resources of California and Future Development," "Tourist Expenditures as a Trade Stimulus," and "Trade Outlets and Taxable Retail Sales in California," in addition to individual reports relating specifically to employment and unemployment.

The 60 tables included with the reports covered a similarly wide range.

While all agencies gave full copperation, getting the information together required considerable planning, and follow-through. The first item was a determination of what information would be desirable, and what agency or agencies could supply it from existing information, and what additional work would be required, and by whom.

The second major step was the careful working out with each agency of the material included in the assignment for that agency and the date on which the material would be available. The final step was to maintain control records and follow up on each assignment to insure that the information agreed on was actually supplied, and at the time and in the form specified.

In addition to the basic information for general conference use, special information was prepared, when time and availability of data permitted, for the use of the 16 sections into which the conference was divided for working purposes. Information of this type included, for example, a large body of material for the section on Agriculture, Fishing, and Food Processing, including information on employment by areas, crops, operations, seasons, etc. This more detailed information supplemented the general information on agriculture and food processing included in the basic information for the information of all persons attending the conference.

To make the data more readily available, and possibly more easily understood, 15 large colored charts were prepared, and displayed at the conference, with duplicate copies available for use of the individual sections concerned. These were later reproduced in the final printed report of the conference.

The basic information was mimeographed and distributed at the conference session. The general information was given to all participants, and detailed information of more limited interest distributed to the participants in each of the sections.

With some few exceptions, all material prepared for the conference was edited and printed, both as a separate booklet, and as a part (the final 116 pages) of the printed report of the conference.

What it Depended Upon

In summary, the successful presentation of California's basic information depended upon:

1. A large body of competent work done by a group of public and private agencies, and covering a broad field of inquiry.
2. The existence of a group representing the major State departments as a clearinghouse for information and methods, whose members were familiar with the work of the others, and of the work under way in universities and Federal agencies in their particular fields.
3. The creation of an active committee representing State, Federal, and private agencies to determine what information was needed and to whom the assignment should be made to secure the best results, to eliminate duplication, and, where possible, to provide for filling gaps in the needed information.
4. Centralized control over the submitted material, as to time, completeness and quality.
5. The duplication, presentation, and printing of the information.

The term "develop" is not quite accurate when applied to the information finally assembled and presented, since the bulk of the data from which the final reports were prepared had already been developed. I believe, though, that the orderly preparation of the information for the specific purpose of the Conference on Employment by such a wide range of agencies in so many fields constituted a real development in intelligent cooperation, and contributed to the success of the conference.

Commerce Aids For Community Planners

By H. B. McCOY
Director, Office of Industry and Commerce
United States Department of Commerce

H. B. McCoy

THE United States Department of Commerce has a greater variety and number of programs than its name would imply. In his role as a cabinet officer, the Secretary of Commerce is a principal advisor to the President on matters of national economic policy, particularly with reference to a sound and expanding business and industrial structure. As such, he has the support of the most elaborate machinery for the collection and analysis of economic data existing anywhere. These data, together with other facilities of the Department, also serve American business at every stage of production and distribution—a function by which the Department is most commonly known. It is to the programs involved in this phase of the Department's work that those interested in employment security may look for helpful aid. These programs operate in the Bureau of Foreign and Domestic Commerce, the Bureau of the Census, the Patent Office, and the Office of Technical Services. The Bureau of Foreign and Domestic Commerce is composed of the Offices of Business Economics, International Trade, Field Service, and Industry and Commerce.

Larger, in terms of budget and personnel, other primary units of the Department of Commerce are active in such fields as construction, transportation, and scientific services. These, too, are vital to the Nation's business and industrial growth and stability.

Through the Civil Aeronautics Administration, the Federal Government extends its financial and technical assistance to communities in the construction of airports; that agency also operates the complex airways system by which traffic is controlled and air safety maintained. Through the Bureau of Public Roads, in collaboration with local and State governments, our national system of highways is planned and financed. In May of this year, through congressional approval of a reorganization plan, the Maritime Commission, which conducts the Federal Government's program for merchant shipping, was brought into the Department of Commerce. Already in the Department was the Inland Waterways Corporation, through which the Government pioneers in the development of river navigation. Three other agencies, the Weather Bureau, the Coast and Geodetic Survey, and the National Bureau of Standards, provide vital scientific services in the fields of climatology, geophysical measurements and the charting of our coast lines, and in basic measurement and testing of materials.

But it is the "business" side of the Department of Commerce which has the materials and services to aid in economic development on a community basis. The Bureau of the Census and the Bureau of Foreign and Domestic Commerce provide basic statistical and factual data to help business firms with their daily operating problems and to realize their expansion potentials.

Economic growth is being stimulated increasingly today through *organized* efforts, public and private, in communities, special areas, States and regions. Chambers of commerce, area development associations, full-employment committees, State development agencies, State and local Employment Security agencies, and regional organizations all over the country are at work in a variety of ways fostering the full development of *all* business and industry within their respective boundaries. The focal point for these efforts is, of course, the community.

For most American communities, the one real promise for economic growth lies in the expansion of manufacturing activity and employment. From the sale of manufactured products dollars flow into the community from markets near and far; and out of the primary employment provided, secondary employment opportunities develop in such fields as retailing, the services, and the professions.

Industrial Development Manuals

The Area Development Division of the Office of Industry and Commerce in the Bureau of Foreign and Domestic Commerce has prepared three manuals for use in community industrial development. The first, "Basic Industrial Location Factors," outlines a survey process through which the community can compile the essential information needed by the prospective manufacturer who is considering the locality as a site for location of a new plant. More importantly, it carries the information needed by the community to determine which specific type of industry may be interested in the advantages it has to offer. Results of a survey made in accordance with this outline enable the community to concentrate its promotional efforts on types of firms for which it has something to offer, and to avoid wasting efforts on those for which there is no chance of success.

A second publication, "Industrial Uses of Selected Timber Species," sets forth in detail, for a very large list of manufactured products, the types of woods used in their production. It is of immense practical

value for the community in an area of substantial forest resources. Through it such a community can easily determine types of manufacturing industry which it may attract or which it may establish through local efforts to utilize those resources.

For communities in areas of substantial mineral resources, a third publication, "Industrial Uses of Selected Minerals," serves the same kind of purpose.

The Area Development Division has a fourth manual in preparation outlining a survey process through which the community may analyze its existing business and industrial growth in order to determine deficiencies or gaps on such scores as wage levels, seasonality of employment, over and under employment of men or of women, growth of potentials, etc. The manual will show how those same characteristics operate within specific industrial types. The results of surveys based on these procedures will enable the community to select for promotion those industries which will fill in gaps and correct imbalances.

Expansion of Established Plants

Community development groups are showing an increasing interest in expansion possibilities of manufacturing firms already operating locally. One of the striking contrasts during the employment decline last year was the remarkable showing of firms which had entered into new-product fields. Television, of course, was the most dramatic example; but there were others—pharmaceuticals, plastics, rubber products. One great barrier to expansion for the small manufacturer has been his inability to finance the costly laboratory research through which the larger firm develops its new-product ideas. The Department of Commerce, through the Marketing Division of the Office of Domestic Commerce, has prepared a series of publications designed to help the smaller firm overcome this disadvantage. The first, "Developing and Selling New Products," brings together some of the actual experiences of manufacturers in entering into new-product fields, and describes the use of the records of the Patent Office and other governmental materials as sources for new-product ideas. Virtually all worth-while product and process ideas are patented. A vast number of them are available for lease or sale from those in whom the rights are vested, but some of the patent rights are public property and are available from the Government gratis.

Two additional Marketing Division publications provide descriptive inventories of new-product ideas available through the Patent Office in two general manufacturing fields. They are: "A Source of New Product Possibilities for Manufacturers—a Partial Listing of Patents Available for Food Machinery, Equipment, Devices, Products, and Processes," and "New Product Opportunities—Available Patents—Plastic Products and Processes."

Another unit of the Department, the Office of Technical Services, has charge of the voluminous technical information on industrial products and processes captured in Germany and Japan. This information is freely available on request.

The publications of the Area Development and Marketing Divisions, the Office of Technical Services and other units of the Department are available for reference and sale in the 42 Field Offices* of the Department. Staff in those offices are ready to correspond and to counsel with visitors on their use, as are personnel in the Washington offices.

Community industrial development efforts—whether in the expansion of existing manufacturing firms, the launching of new plants as purely local ventures, or attracting a branch-plant operation—are frequently retarded by the difficulty of the smaller firm in obtaining credit or equity capital. In that connection, the President's recent message recommending a new small-business program is of great importance. One of the proposals in that program would authorize the chartering of national investment companies to facilitate the pooling of a portion of the financial resources of individuals, banks, and other financial institutions, out of which to make loans and purchases of stock for the benefit of firms which cannot obtain credit or equity funds through normal channels. Another proposal would establish a system of small-business loan insurance under which commercial banks would be protected against losses in much the same manner as they are under the Federal Housing Administration system in the field of home modernization and repair. It is interesting that neither of these proposals involves the loaning of Federal funds, but utilizes private financial resources. Still another proposal recognizes that many loan and investment losses result from a lack of managerial and technical information and know-how inside the business firm. It involves the strengthening of services the Department of Commerce is already extending to business in such matters. The recommendations would vest basic responsibility for the small business program in the Department of Commerce, utilize the Federal Reserve System for development of the national investment companies, and transfer the Reconstruction Finance Corporation to the Department.

In the foregoing, I have dealt with materials and services and current proposals which are meaningful or directly useful to community-wide organizations planning for expansion and stability in business and industrial activity and employment through industrialization. In line with its primary mission an even larger volume of materials and services is available from the Department on purely business problems. I have mentioned the basic economic data of the Bureau of the Census. They cover not only the periodic censuses of population, manufactures, business, and agriculture, but a continuing flow of detailed information on trends in a vast array of businesses. The Office of Business Economics, through its SURVEY OF

(*Continued on page 34*)

**Employment Service Program Letter No. 149, transmitted a list of the 42 field offices of the Department of Commerce to the State and local employment security offices.*

David Kauffman, chairman of the Allegany County Full-Employment Committee, shown above issuing instructions to some of his associates. Left to right: Francis Kenny, manager, Unemployment Compensation Division, Department of Employment Security; F. Patrick Allender, business agent, Carpenters Local No. 1024, AFL; Edward J. Wegman, veterans representative, Maryland SES; C. William Spangler, assistant veterans employment representative, VES; David Kauffman; and Earle D. Chaney, president, Chaney Transportation Co.

The Veteran Fares Best in a Full-Employment Community . . .

A Broad Approach to Community Employment

By GRAFTON LEE BROWN

State Veterans Employment Representative, Baltimore, Md.

IN MARYLAND, the Veterans Service Committees have been broadened into Full Employment Committees. The transition was natural, logical, and almost inevitable.

Late in the summer of 1949, Gov. William Preston Lane, Jr., disturbed by the increasing number of unemployed veterans, reactivated the State Veterans Service Committee.

This committee was composed of heads of State departments and representatives of Federal agencies who were concerned with the problem of veteran unemployment. Acting in an advisory capacity were representatives of industry, labor, veterans' organizations, and civic groups. Maj. Gen. Milton A. Reckord, the adjutant general of Maryland, was appointed chairman of the committee, and the State Veterans Employment Representative from Maryland was named executive secretary.

The committee was charged with the responsibility of drawing on all resources of the State departments in an all-out effort to get jobs for veterans: The State Employment Service to find jobs in private industry; and the State Employment Commission to channel veterans, wherever possible, into State jobs. In both instances, the veteran was to be assured of the preference which was his under the law.

At its first meeting, the State committee determined that it would sponsor the organization of local veterans' committees in order to meet the problem at its source. Because the problem of unemployment was

basically a community problem and varied according to county conditions, it was felt that it could best be solved right on the spot by members of the community itself. The State committee would act in an over-all coordinating capacity, giving advice and assistance when necessary, but the local committee would "carry the ball."

Local committees were set up at once in areas of dangerously high unemployment. In general, the membership pattern was the same as that of the State committee. The members chosen to serve were keenly interested and eager to meet the challenge.

Part of Whole Community Problem

It was through the efforts of these local committees, attempting to solve the veterans' unemployment problem, that the need for broadening the committees' objectives became apparent. Helping the veteran to find a job was obviously only one segment of the problem. The committee realized that while the veteran had some problems which required special consideration, his problem of unemployment was part and parcel of the community problem of unemployment, just as he was a part of the community itself. There could be no healthy solution of the veteran's unemployment problem unless the community problem was resolved, and, going a step further, the community problem of unemployment could not be solved unless programs were developed to maintain employment at a high level and to assure continuing expansion of the local economy.

The committee, therefore, broadened its field of interest to include the whole problem of unemployment. The composition of both the State and local committees was expanded. The veterans and civic groups, formerly serving in an advisory capacity, were drawn into a more active participation; and the Veterans Service Committees, moving into a broad community-wide approach, became Full-Employment Committees.

The experience of the Allegany County Veterans Service Committee illustrates the broadening of Veterans Service Committees into Full Employment Committees.

Unemployment was heavy in Allegany County in the fall of 1949. Cumberland had been declared an E area. Veterans, mainly because of lack of seniority in their jobs, were particularly hard hit, and the Allegany County Veterans Service Committee was appointed to attempt to alleviate their distress. David Kauffman was named chairman of the committee, and the membership represented veterans' groups and State and Federal agencies concerned with the veteran's unemployment.

At the committee's first step toward helping the veteran regain employment, it was demonstrated very clearly that the veteran's problem could not be studied or solved as a thing apart. Unemployment affected every group in the community and its impact was felt by all. Therefore, it would be necessary to investigate the whole community problem.

Under the leadership of Mr. Kauffman, the Allegany County Veterans Service Committee was expanded to include greater participation from industry, labor, and civic groups. The members buckled down at once to the job ahead.

They quickly realized that in order to alleviate unemployment and promote employment, plans could not be formulated on a sound basis unless there was adequate information concerning the characteristics of the labor force and the community's resources.

They required information and plenty of it: Who were the unemployed? What were their skills and aptitudes? What were their ages, sex, family status, etc? Where had they worked and what were their prospects of being called back? Were they receiving unemployment compensation benefits? What would happen to them if they could not get work before their unemployment compensation benefits were exhausted?

These were only a few of the questions raised by the committee. Their efforts to get answers brought about the complete transition from Veterans Service Committees to Full-Employment Committees (see chart, p. 25). They were convinced that the real solution to Allegany County's employment problem demanded more than a solution to the immediate problem of unemployment. Preventive measures would be required to establish a long-range, sound economy and full employment for the citizens.

All Research Groups Help

The committee used the research facilities of all agencies. Both the Employment Service Division and the Unemployment Compensation Division of the Department of Employment Security furnished valuable information, as did the Department of Education and the Welfare Department.

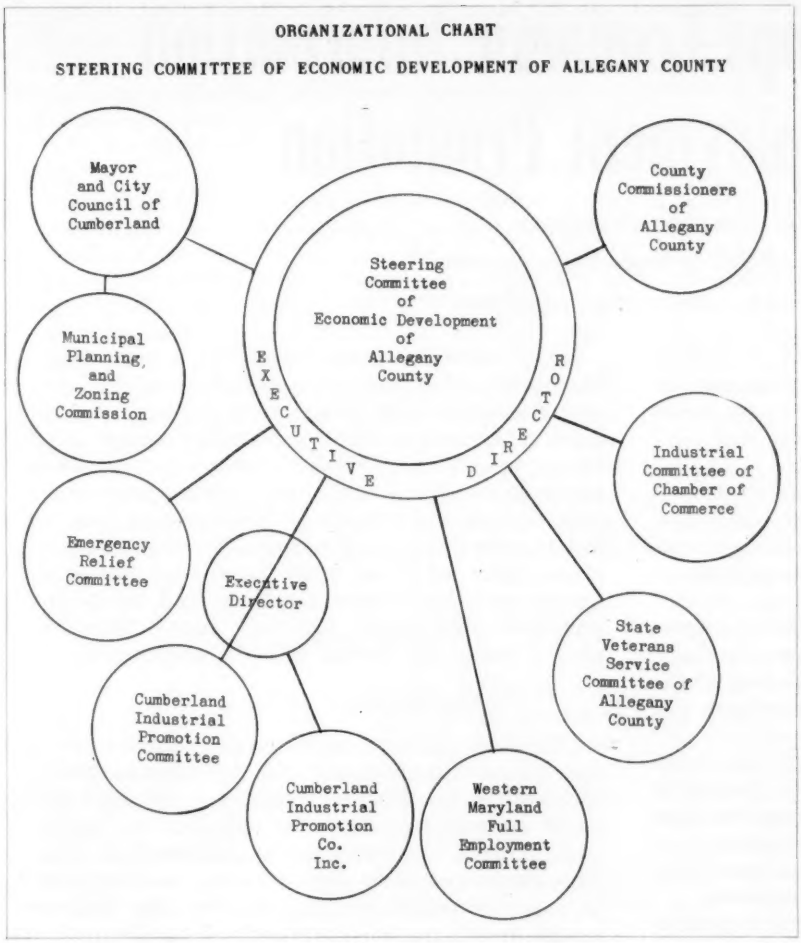
They explored such subjects as: Local resources and how to develop them; how to secure new markets for existing products; how new industries could be brought into the county; what Federal projects were being carried on in the county.

Their investigations brought out the fact that no less than eight different committees or groups of citizens were studying and attempting to solve one or more segments of the whole problem in Allegany County. Through the efforts of the Veterans Service Committee, a steering committee was set up, under which Mr. Kauffman, along with the working members of his group, assumed the leadership in directing all of the activities from one new committee—the Full-Employment Committee.

The members are enthusiastic and hard working. Some part of the committee meets every day, and among their accomplishments are numbered the following:

(1) Contacted approximately 10 industries in an effort to bring them into the area.

(2) Obtained support from various sources for


ORGANIZATIONAL CHART
STEERING COMMITTEE OF ECONOMIC DEVELOPMENT OF ALLEGANY COUNTY
Mayor and City Council of Cumberland
County Commissioners of Allegany County
Steering Committee of Economic Development of Allegany County
EXECUTIVE DIRECTOR
Municipal Planning and Zoning Commission
Industrial Committee of Chamber of Commerce
Emergency Relief Committee
Executive Director
State Veterans Service Committee of Allegany County
Cumberland Industrial Promotion Committee
Cumberland Industrial Promotion Co. Inc.
Western Maryland Full Employment Committee

projects contemplated for the area, such as the C. & O. Canal Parkway and water and sewage expansion.

(3) Obtained with the cooperation of the Department of Agriculture and the State Department of Budget and Procurement and the State Welfare Department, surplus food such as potatoes, powdered eggs, dried milk, and butter and cheese.

(4) Worked with the city government of Cumberland, securing passage of a city ordinance creating a Labor-Management Citizens Committee to promote industrial harmony in the community, and the hiring of an industrial promoter, engineer or consultant, to aid in attracting new industries.

(5) Secured passage of legislation of grants for emergency relief for employables.

(6) Worked with small business representatives to obtain support of President Truman's recently announced small business loans measure.

(7) Planned limited campaign among business leaders to set up a financial fund to attract small industries to the area.

The Allegany County pattern for broadening the Veterans Service Committee into a Full-Employment Committee is now being followed in other counties in Maryland with the approval of Governor Lane. The various veterans' organizations represented on the Veterans Service Committees, and now serving on the Full-Employment Committees, concur wholeheartedly in this community-wide approach.

It is not the purpose of this article to advocate any one committee or group to be designated as a Full-Employment Committee. Which community group takes the initiative in developing a Full-Employment Committee is unimportant. It is important, however, that communities set up these Full-Employment Committees and that all community interests are represented on these committees.

It so happened that in Maryland the Veterans Service Committee, which was appointed to help alleviate the unemployment problem of the veteran, by the very nature of its objectives, developed into the Full-Employment Committee. Conversely, because of the Full-Employment Committee's broad, community-wide approach toward the achievement of full employment of the community's labor force and full development of the community's industrial resources, the veteran is thereby assured of the help which the Veterans Service Committee was originally set up to render.

Has your State set up a Full-Employment Committee? If not, perhaps there is some group that can logically be expanded to encompass the objectives of a Full-Employment Committee. Through cooperative community effort, labor, industry, veterans' organizations, civic groups and government agencies can get together and defeat unemployment. Why not get started now?

Texas Develops Economic Information for Employment Promotion

By **TED CLIFFORD**

Supervisor of Reports and Statistics

Texas Employment Commission

If Beauford Jester were alive today he'd get a bang out of the community development plans springing up all over the country. Just so, many Texas mayors, chamber of commerce officials, and city fathers are getting their "bang" today.

The bang comes from the very satisfactory knowledge that community development plans in Texas, instigated primarily to ward off predicted high postwar unemployment, were begun on a large scale in 1946.

In that year Governor Stevenson appointed a postwar State planning commission to provide basic recommendations for greater industrialization of the State, which would in turn bring increased job opportunities.

On that commission were members of the Texas Employment Commission, together with industrial leaders, professors of business and economics from Texas universities and colleges, labor leaders, mayors, bankers, farmers, ranchers, and many others from the complicated structure of the Texas economy.

Broad recommendations, far too numerous to mention here, were made, one of which was the present community development plan which is now, and has been for several years, operative in almost a hundred Texas cities.

Briefly, this plan recommended that some means be provided whereby Texas communities could evaluate their human and natural resources, identify their problems, and devise means for assisting in their solution.

Governor Gets Green Light

As a result of this recommendation, the fiftieth legislature, which convened in 1947 at the beginning of Governor Jester's first term, passed a law which gave the Governor authority to select certain individuals from State agencies to carry out the provisions of the recommendation. No funds were granted, but the Governor could draft manpower as needed.

Along with several other committees, a State Industrial Development Committee was set up. Members were selected from the Texas Employment Commission, the University of Texas, Agricultural and Mechanical College of Texas, and Texas Technological College, and placed under the direct supervision of the Governor, whose executive secretary was an ex officio member.

Long before the committee had its first meeting, the Governor's office had been bombarded with queries and demands from Texas communities. A typical letter from the president of a small chamber of commerce read, "Can you help us get some kind of a plant here? We have a nice town, good climate, good schools, and churches." At the same time, other letters were being received from out-of-State concerns about plant locations, labor force, wage scales, marketing and distribution facilities, and other highly technical information. In fact, many letters were placed before the committee at its first meeting.

Bid for Help of Local Offices

One of the first actions of the committee was to ask the Texas Employment Commission to attempt, through its then 102 local offices, to set up employment committees, either as adjuncts to the local chambers of commerce or as independent groups. This the commission agreed to do, and, spurred by an intensive publicity campaign from the State committee and from the Governor's office, the plan was highly successful.

In the interim, the committee, with the assistance of the United States Department of Commerce, had devised a questionnaire which if properly answered by a chamber of commerce would provide a fairly comprehensive idea of a community's resources, tax structure, business atmosphere, and aggressiveness.

This questionnaire was mailed out with an appropriate transmittal, over the Governor's signature, and the employment committees throughout the State suddenly found themselves with something to do!

As the replies began to come in, it was apparent that many communities had progressed far beyond the expectation of the committee, while others needed help. As a result, the head of the Bureau of Business Research at the University of Texas put forth the idea of offering graduate students in economics and business administration to communities, at a small expense subsidy, to conduct inventories of community resources and to recommend ways and means of bringing these resources to the attention of prospective business enterprises.

This device, too, was fairly successful.

Community committees found their first need was to organize the mass of data already available, and to set about gathering the additional information that is

of major interest and a determining factor in any planning for new establishments. A ready tool for this work was available. The war had taught industry not only the real importance of labor market information when it mobilized for production, but it had also developed, for that mobilization, a widespread organization of trained analysts in Texas. These were the field analysts in 18 of the offices of the Texas Employment Commission in the principal cities of the State.

As the commission's office managers had played a leading part in the establishment of the local employment committees, it was only natural that these committees should look to the local offices for technical assistance in assembling, organizing, and presenting the facts about their communities. This was especially true where the committee worked on a voluntary basis and without paid staff. These analysts were committee members, and in some cases committee chairmen, in their own communities. They also served as technical consultants to committees in smaller communities.

Loans for New Firms

During 1947 and early 1948, some 18 Texas cities organized corporations for the purpose of providing partial financing for industrial development. These corporations were financed by local capital and ranged from $100,000 to $250,000 in funds subscribed. The corporation would lend from 10 percent to 25 percent of required financing to new firms entering the community, and as the money was paid back it was re-lent to other enterprises. Several of the funds have revolved two or three times.

One community corporation wrote into its rules governing loans the provision that firms of seasonal activity, with resultant seasonal lay-offs, could not participate. The same community required firms receiving loans to pay a minimum salary of $50 a week. Firms were selected to prevent a preponderance of any one type of activity. For example, one firm subcontracts a part for an automobile; another, a machine shop, makes one item of oil-field machinery; another, parts for refrigerators. The theory back of such restriction was that if one industry suffered and subcontracts were canceled only a small proportion of the labor force would be affected.

Another point of interest—no effort was made to secure plants of more than 50 employees. The community preferred 50 diversified plants employing 50 or fewer workers to 10 larger firms employing as many as 250 workers each.

It must be remembered that most of this activity occurred 2 or 3 years ago in cities which prior to that time had little or no industrial activity. It must also be remembered that previously only a handful of Texas metropolitan cities had made any concerted effort to attract new industry.

Texas has always had certain climatic and natural resource advantages, but the exploitation of those advantages had been limited. When 75 or 80 Texas communities barged out, almost in unison, to sell these advantages—something had to give, and the picture today can, to a large extent, be credited to the individual initiative of local communities.

Certainly wartime development has had a tremendous bearing on Texas postwar expansion. Population shifts to the Southwest created new markets. Regional firms, which 10 years ago marketed in an area comprising a few counties, expanded to markets extending into surrounding States. New distribution patterns were woven by wartime industry which were not allowed to disappear in the immediate postwar years.

As a result, many northern and eastern manufacturers who had large southwestern markets began to see the economy of establishing plants nearer the markets, thus cutting out high transportation costs on raw material to the North and of finished products back to such distribution points as Dallas and Houston.

Communities along the Gulf Coast went after and secured new chemical and petroleum processing plants and new waterways. Shipbuilding and ship repair, while not remotely approaching wartime magnitude, are considerably larger than before the war.

In agricultural areas real strides have been made in improving crop methods and experimenting with new crops. Farm machinery plants have made a decent beginning in central and west Texas.

Some communities have done outstanding jobs in exploiting tourist attractions, and one west-Texas town has secured a clock manufacturer—the first large-scale operation of this kind in the State.

For more than 3 years extensive study of the possibility of locating the woolen textile industry in and around San Angelo, where 85 percent of the Nation's wool is produced, has been undertaken, and one plant has now located in that area. As the communities develop more extensive information on the requirements of that industry, it must logically follow that more of the industry will move into Texas.

A Tidy Situation Except For One Problem

At present, insured unemployment in Texas stands at 3.2—the lowest of any State in the Nation. Texas has no E areas. New firms of 8 or more employees are starting up at an average rate of 40 per month. April set a new all-time high in nonseasonal employment and the downward break in unemployment occurred the last week in February—3 weeks earlier than in the previous 4-year period.

Texas communities are facing their greatest problem today in attempting to provide jobs for in-migrants. Employment committees throughout the State are in the process of measuring the load and attempting to reduce it to terms of new enterprise requirements. Undoubtedly this problem will increase and the State as a whole may not continue to develop fast enough to absorb its own natural labor force growth and the in-migrants. But the individual

communities are wrestling with the problem and are trading experiences.

In 1949 the industrial development committee was carried forward by Allan Shivers, who became Governor following the death of Beauford Jester. No changes were made either in the plan of operation or in personnel. The committee provided answers to some 700 requests for information in 1949, and conducted several State-wide surveys for farm groups, livestock organizations, industrialists, cities, and legislators.

One project completed by A. & M. College, as a part of the industrial development pattern, was a sample survey among purchasing agents within the State to determine out-of-State purchases of hundreds of items. The findings of the sample survey were then "blown up" (on an employment formula) to an estimate of total purchases. The results were then placed in the hands of firms presently located in Texas which were manufacturing or which could, by very little plant expansion, manufacture those items. Employment committees were also provided the figures and the results will be measured this year by another survey of purchases, plus a comparison of the employment increase or decrease in the affected manufacturing firms.

Therefore, it would seem that community development is feasible, reasonable, and profitable to the individual, the community, the State, and the Nation. However, it would also seem that it is far better to attempt to plan for development of job opportunities to ward off unemployment than to create community committees to *alleviate* distress unemployment. The difference is that one can be done coolly, calmly, and with some degree of permanence; the other *must* be done as an emergency, under pressure, and in many cases with only temporary results.

Community Employment Program at the Local Office Level

(*Continued from page 18*)

fell into one or more of the following groups:

1. Those requiring the assistance of Greater Arizona, Inc.
2. Those which could be acted upon immediately.
3. Those tabled for additional information.
4. Those requiring long-range planning.
5. Those requiring financial assistance.
6. Those that are impractical or controversial and should not be attempted by the Community Employment Committee.

We reduced our suggestions down to three that could be acted upon immediately, would not require financial outlay, and should produce results. These were presented to the general meeting held early in June:

Further development of tourist trade as a unit rather than by five separate communities; development of Coconino County as a winter sports area; assist the "Strip" area in obtaining a large sawmill. This area contains an enormous amount of virgin ponderosa pine, fir, and spruce available for cutting. With this project it will be necessary to have 60 miles of road built into southern Utah to provide an outlet to a market in the Virgin River country.

The Flagstaff Office of the Arizona State Employment Service is the ideal organization to take the lead in developing the general economy of the area with resulting employment. We can be realistic. We are interested in the county and State as a whole. We have contacts with management, both large and small, labor, both union and nonunion, and with other governmental agencies, civic and welfare groups. We cooperate with them in all of their projects which will increase employment or the general economy and most important, we give them credit for anything accomplished.

If we are to avoid the heartaches of the thirties, the distress that accompanies unemployment, then every community will have to plan for the future and do it now, while employment is still high. If we wait until unemployment has affected the payrolls and started a cycle of lay-offs, it is too late. It is said that every dollar of wages spent in a community will provide another dollar in wages for someone else.

Through common effort we will find productive jobs for Americans in the American way.

Community-Wide Cooperation Fights Unemployment in Hawaii

(*Continued from page 8*)

present unemployment situation, reviewing efforts made to alleviate it, and preparing a list of possible Federal public works projects including costs, volume of employment, skills required, duration of employment, added productivity and permanent employment resulting therefrom, and an analysis of the tax situation. Studies will also be made of the cost of relief payments if no programs are provided.

Since the creation of the Full-Employment Committee, unemployment in Hawaii has declined from a peak of 33,000 in January 1950 to about 26,000 on June 1. The drop can be attributed to out-migration, due to the lack of local job opportunities; to increased recruitment and placement for the forward areas in the Pacific; to the major renovation program under title I of the Federal Housing Agency which has met with enthusiastic acceptance by home owners; to the continued operation of the tourist season at maximum capacity and to clean-up and renovation projects at military installations.

Recognizing this improvement as the result of emergency measures, the Full-Employment Committee is intensifying its work on a stable employment program for the Islands based on policies designed to broaden and strengthen the economy of the Islands as a whole and making the fullest use of resources to meet needs.

The Checks That Check Hardships . . .

Unemployment Benefits Help Maintain Purchasing Power

By HENRY C. GAGNON *and* MELCHIOR GURJIAN

Research and Statistics Unit

Department of Employment Security, Providence, R. I.

THE old adage says "gain cannot be made without someone's loss." This may apply quite aptly to what is happening in our highly developed industrial society. As we advance in industrial "know-how," our gain is accompanied by greater difficulty in handling some of our economic problems. Mass production has meant mass dependence on industry for employment and shrinking opportunities for the individual to create or get by on his own resources. In increasing our productive efficiency, we have also increased our risk of unemployment. It has thus become a mark of our modern economy that along with bursts of production and high business levels, we go into periodic slumps with sharp declines in employment and purchasing power. At the same time, the more we have grown industrially, the more has purchasing power, or money, become the staff of our economic life.

Unlike the simpler economies of earlier times with their relative self-sufficiency of the individual, our modern industrial and commercial system is one which hangs on a delicate balance between production, purchasing power, and distribution on a Nation-wide scale and affecting the entire population. Any sharp declines in our payrolls and purchasing power, if not checked in time, can lead to general business paralysis, as happened during the severe depression of the thirties. The decline in manufacturing employment last year is also fresh in our memory. If there is one lesson to be learned from depressions it is that disturbances in our complex industrial economy do not always right themselves without some positive action to restore the economic balance. The simple, classic law of supply and demand no longer seems to work unaided in our economy; it has become obvious that it can be made to work only through the restoration or expansion of purchasing power. It is one thing to have a potential demand without the money to pay for it, and an altogether different thing to have a demand backed up by purchasing power. The former type of demand is of no help to business or industry; it is only the latter that can be counted on to start up or keep the wheels of industry going. Nor can the demand-supply balance be restored by too much tampering with the going price structure. This might prove disastrous to the established balance between wages, costs, prices, etc. It would, moreover, be useless to offer people something at a greatly lowered price, which might still be beyond their means.

The one sure method, then, of upholding demand for goods and services and to keep the economic ship on an even keel is to maintain purchasing power. The economy of a community can survive the periodic storms of business declines with their resultant unemployment and income losses only through the steadying influence of some system of purchasing power replacement. There are several methods of offsetting income losses resulting from unemployment. One of these is that of meeting such losses out of the current income of a State, in which case the income supplementation takes the form of work relief, public assistance, or some other method of channeling money into the hands of the unemployed that is not based on a systematic accumulation of reserves. The various public works programs, Federal and local, that were resorted to during the depression of the thirties were a good example of the work relief method of trying to relieve unemployment and the sharp decline in purchasing power.

How To Carry the Burden

General public assistance or other forms of non-work aid to relieve personal distress and keep a community going have been familiar to us for a longer period and are still in use for certain types of unemployment and financial need. Such relief measures, direct or indirect, are admittedly unavoidable at times and must be applied whenever needed to preserve the well-being of the less fortunate members of a community. But, obviously, they can be financed only through general taxation and thus lead to the increasing of public indebtedness. This is only another way of saying that the tax burden of those who are able to pay will have to be increased to support those who cannot support themselves. Except for those who are unemployable and cannot help themselves, such a condition is not healthy for any community in the long run, either morally or economically.

A much more satisfactory method for dealing with loss of purchasing power through unemployment due

to lack of work is through unemployment compensation payments. This is a system which accomplished the same objectives as relief measures fully as well, if not better, without undue drain on the State reserves and without increasing public indebtedness. It is a self-supporting and a self-liquidating system which operates through the building of large reserves during times of high employment for use during times of severe unemployment. The benefits which are paid to those temporarily out of work then become a direct cost of doing business through payroll taxes, and of course an indirect cost to both the employed and unemployed alike. Such a system thus makes it unnecessary for the State or municipal governments to resort to heavy borrowing when such funds are needed.

Twofold Purpose Served

The payment of weekly benefits to unemployed workers out of the unemployment compensation funds serves a twofold purpose. It gives the workers the money with which to buy necessities, thus tiding them over from one job to another. In this way it helps to relieve the personal distress that would be sure to follow in most cases where earnings have been interrupted. In other words purchasing power is maintained for the masses during a period of business and industrial decline. This in turn helps to check further declines and in due time helps restore industry and employment to more stable levels. It is in this sense that purchasing power, or money, becomes the life blood of a close-knit, interdependent economy such as ours. It starts industries up again and keeps the flow of goods and services moving all along the line from the manufacturer or producer to the final retailer or dispenser. As the retailer's stocks are used up, he orders more from the jobber, who then orders more from the producer. And as the latter's inventories begin to run low he starts rehiring and production. This results in expanded purchasing power for workers and in increased sales and demands all along the line.

To become totally unemployed means to lose 100 percent of earnings. However, unless an individual is earning just enough to meet bare necessities, it is not necessary that his entire earnings be replaced. The building up of savings and investments and the buying of other luxuries can certainly be sacrificed during such periods. In order to survive, however, an individual must be able to provide himself and family with at least the minimum requirements for subsistence, i. e., food, housing, heat, and utilities. What proportion of a person's wage loss must be replaced cannot be determined exactly, because of the inevitable variation between the needs of different individuals. No system of statistics could be expected to get down to individual cases. If it did this, it would cease to be statistics and would be useless for purposes of general applicability. The most that can be hoped for is the development of close averages for the various family size and income groups. On the basis of consumer expenditure studies made by the Bureau of Labor Statistics of the United States Department of Labor, the Rhode Island Department of Employment Security estimated that a person earning $40 a week and having three dependents spends approximately 72.5 percent for basic necessities in the Providence area. The unemployment compensation system, by paying him $25 a week (as in Rhode Island), replaces approximately 62.5 percent of a worker's entire wage loss. While this is admittedly 10 percent below what may be considered necessary, it approaches a point where the remaining difference can be partially eliminated by reducing the differential that exists between "loose spending" and "stretching a dollar," especially in the case of food.

The ultimate result of this partial replacement of purchasing power is to make available from a reserve fund money that otherwise would have been taken from the income of the State and municipal governments or from private charity. How effective this method has proved in cushioning the blow of unemployment has not been better illustrated than in Rhode Island, which was the hardest hit of the States in the general postwar readjustment declines of last year.

Rhode Island's experience of the past and earlier years may be taken as typical of what can happen to a highly industrialized economy in the periodic sharp rises and falls in employment levels. At the same time it provides an example of how urgently some balancing factor, such as unemployment compensation, is needed to keep communities going through these recurrent business slumps. At the height of the recession of the past year, some 60,000 workers in Rhode Island were unemployed, about 1 out of 5 of the State's labor force. How extensive and prolonged this unemployment was may be seen in the fact that about 40 percent of those who received benefits during the year continued to draw benefits until they had exhausted the entire benefit amounts credited to them on the basis of earnings. Employment declines in 1949 were reflected in part by a decrease in taxable payrolls in the State from $553 million in 1948 to $506 million in 1949, a drop of $47 million. However, the wage losses suffered by workers separated from covered employment in 1949 have been estimated to have reached some $54.4 million. Benefit payments in 1949, $31.4 million, were approximately $17.1 million higher than in 1948, thus offsetting approximately 31 percent of the wage losses resulting from the employment declines, and serving as an effective means of tiding most workers over between jobs, while at the same time helping to keep business, production, and employment from going into further declines.

Unemployment compensation has thus amply proved its worth in Rhode Island as the first bulwark against our recurrent industrial declines with the resulting personal hardships. Admittedly, it cannot do the whole job. It is necessarily limited, both in its amount and duration of benefits. But, in most

cases, it is sufficient to meet the essential needs of a family for a considerable time; and in any event it is an ideal way of supplementing whatever other resources or savings the individual or family may have to pull them out of a period of interrupted earnings. In doing this, it thus conserves these other resources against heavier drains—resources which may be essential to the future plans or well-being of the individual or family. At the same time, either in combination with these other resources or alone, unemployment compensation benefits help to uphold the economy of a community, to sustain its business life, and to maintain the purchasing power of its working people.

The distribution of benefits in such large amounts as in the past year has put a severe strain on the Rhode Island unemployment compensation fund. In fact, the benefit outlays during the year exceeded the contributions to the fund by about 3 to 1. As a result, serious questions have been raised as to the solvency of the fund if there should be further heavy drains in the future. Under these circumstances, the temptation would be great to reduce the benefit amounts in an effort to bring expenditure back into balance with income. Some steps have already been taken to effect savings where possible. But in the process, it has been realized that this must not be done at the expense of impairing the adequacy of our benefit provisions to those justly entitled to them. This could not but defeat the very purpose of unemployment compensation. It would be just the kind of economy we could not afford.

An adequate benefit system has come to be accepted as an almost inseparable part of an industrialized economy such as ours. Indeed, the accumulated reserves of such a system may well be considered as the collective savings account of the working population—although built up entirely from employer contributions—to be drawn on as needed during periods of unemployment. It is one ready means, perhaps the best devised to date, of achieving a compensated economy, that is to say, one which would be able to sustain itself during periodic ups and downs through its own internal resources. It is, moreover, a system of benefits based entirely on earned rights, and therefore one closely geared with actual employment and wage patterns, and serving the employed population of a community. As such, it may well be regarded as a balance wheel in keeping a productive economy on a more even keel through recurrent business cycles and fluctuations.

Oregon Organizes State and Local Committees

By **T. MORRIS DUNNE**

Chairman, State Unemployment Compensation Commission, Salem, Oreg.

In Oregon, the formation of a State committee on employment has moved forward with remarkable smoothness. Upon receipt of the Secretary of Labor's letter in October 1949, suggesting the setting up of a State committee on employment, Governor Douglas McKay consulted with the commission regarding the need for such a committee.

At that time, late in October 1949, there were signs that Oregon had a few rough spots in its economy. While employment was at a high level, unemployment, too, was high in certain areas. Governor McKay believed that the suggested State committee on employment could help in solving some of the problems encountered in high unemployment areas. Especially would this be true if the State committee lent its aid to local communities in organizing their own committees.

At the Governor's suggestion, we contacted outstanding leaders of management, labor, veterans, and other civic groups, as well as interested departments of the State and Federal Governments. The response was gratifying and on December 28, 1949, the Governor announced that The State Advisory Council on Employment had been set up.

The committee was fortunate to secure as its chairman, Dr. Calvin Crumbaker, head of the Department of Economics at the University of Oregon. Labor, management, and the public each had three representatives on the Council. Earl R. Lovell, director of the Oregon State Employment Service, represents the Unemployment Compensation Commission and serves as secretary (ex officio).

The Council's public representatives are Jack L. Jennings, chairman of the Portland Labor-Management Committee; David Blakeman, The American Legion; and Milan D. Smith, representative of several civic organizations.

Representing Management are J. C. Compton, past president of the Associated General Contractors; Andrew M. Collier of the Klamath Ice & Storage Co.; and Elmer R. Goudy of the Collins Pine Lumber Co.

The representatives of Labor are Ivor T. Jones, executive secretary, Oregon State Council, United Brotherhood of Carpenters and Joiners of America; George Brown, secretary-treasurer, State Industrial Union Council, CIO; and Mrs. Alice A. Bissell, secretary-treasurer, Cannery Warehousemen, Food Processors, Drivers and Helpers.

The schedule of meetings calls for a different locality each time. The first meeting was held in Salem, the second in Eugene, the third in Portland, and the

In attendance at the first meeting in the Governor's Office, State Capitol Building, Salem, Friday, February 3, 1950, were left to right: J. C. Compton, past president of Associated General Contractors; Mrs. Alice A. Bissell, AFL Cannery Workers; Dr. Calvin Crumbaker, chairman, Department of Economics, University of Oregon; Governor Douglas McKay; Earl R. Lovell, secretary (ex officio) and director of the Oregon SES; Andrew M. Collier, Klamath Ice & Storage Co.; Jack L. Jennings, Portland Labor-Management Committee; George Brown, CIO; and M. E. Steele, AFL Bakery Drivers.

next will be at Klamath Falls. This gives interested persons in each locality an opportunity to participate in the sessions.

All newspapers and press associations have given the activities of the Council wide publicity. Many agencies and departments, both State and Federal, have been sending representatives to attend all sessions. The meetings of the Council are open sessions; any interested person may attend. The Governor, testifying to his interest in the committee, attended all meetings when he was in the State. Unable to attend one meeting he sent a delegate, Tom Lawson McCall, his administrative assistant. On two other occasions he sent as his representative Harry S. Dorman, director of the State Budget Division. The Veterans Employment Service has always been represented, as have our county courts, local chambers of commerce, and labor unions.

At least one of the commissioners and the State administrator have been at every meeting. Likewise several members of our staff, including our Informational Representative, the Supervisor of Research and Statistics, and others have attended the Council's sessions.

Representatives from headquarters and the regional office were in attendance at the first meeting. As urged by them, the establishment of local planning committees has been one of the main objectives of the State Advisory Council on Employment.

The interest and participation of all 11 members of the Council has been excellent. The group is small enough to give each member a part in the discussions and activities, which, naturally, stimulates the interest of the members. A larger committee we believed might be too unwieldy. We were seeking a working committee, one that would get to the grass roots of this employment and unemployment problem.

From the start, this committee has been hard working and its accomplishments many. While first sessions usually are devoted to the members getting acquainted with each other and with their particular duties, our first session accomplished a good deal more—that is, action towards the setting up of a local committee.

In the two subsequent meetings of the Advisory Council on Employment, action was taken on such problems as: adverse freight rates; the need for forest access roads; maritime employment and unemployment; the critical freight car shortages; and a need for markets for Oregon products. Five subcommittees have been established to make studies on each of these problems.

If one were to select the Council's most important accomplishment to date it is the impetus it has given in the establishment of local committees. We recognize that the proper approach to any solution of unemployment is at the community level. To make a

community *aware* of its own economy and resources, and of the potential areas of expansion in specific industries, is one of the most important programs that a State committee can undertake. The State committee is therefore trying to stimulate local interest in job development by encouraging the organization of community planning groups.

The committee seeks to eliminate the seasonal peaks in unemployment occurring in Oregon's forest areas through the use of the labor force in less-seasonal activities. A partial solution would be to promote the remanufacture of raw lumber into finished products, such as furniture, sash and doors, etc. The man hours per 1,000 board feet necessary for the manufacture of the finished product is many times that used in the falling and sawing of the timber into rough lumber. Nor is the conversion of raw lumber into finished products dependent on weather conditions to such an extent as is logging or sawmill operations.

The State Council is also encouraging the utilization of wood waste and other byproducts of Oregon's forests. Take for example the project recently established in Klamath County. A major powder company installed a pilot plant in Klamath County to utilize cut-over pine areas for the extraction of resin, turpentine, and other chemicals from the stumps. This pilot plant presently employs around 100 persons and should the project prove successful, and that seems likely, it is estimated that approximately 1,000 persons will be employed in the extraction of these chemical products. The site of the pilot plant is an old mill that employed 600 when it was operating. Employment at this new project will not be seasonal in nature because the stumps can be stock piled and the extracting processes carried on the year round. This type of project will not only utilize our wood waste to the fullest extent but by the extraction of the stumps from the cut-over areas the land will be more fit for grazing or other types of farm activities.

The scheduling of meetings of the State committee in various cities of Oregon has helped in carrying out its objective—the job of organizing and implementing local planning committees. For example, the scheduling of the second meeting of the State Council at Eugene was a deliberate step to help that locality organize its local committee. The use of the press and other types of publicity have aided in bringing to the attention of civic groups, the help that can be given by the State Council in the establishment of local committees.

The Eugene area, comprising Lane County, is typical of several other areas in Oregon in that much of the employment in the area is seasonal. The lumber and logging industry, particularly the logging section, and agricultural and food processing activities are all highly seasonal in nature, with parallel employment trends—high employment during the summer months and low during the winter.

The organization of this local committee, called the "Lane County Advisory Council on Employment" was pin-pointed towards the alleviation of seasonal unemployment during the winter months. A 20-man committee was organized, eight representatives each from union and management, and four public representatives. The four public representatives were chosen by the other sixteen. This local committee has already held a meeting and several programs for alleviating the high seasonal unemployment are under way.

State agency representatives have cooperated to the fullest extent—with the manager, Guy Lang of the local office at Eugene, acting in an advisory capacity to help the committee. The Research and Statistics Division of the Unemployment Compensation Commission has provided the local committee with basic economic data on Lane County. This 126-page statistical summary was compiled from our records and gives the committee an excellent picture of the past and present economy of the county. This type of information will be provided for all counties in the State where local committees are to be organized.

Other areas throughout the State are becoming increasingly aware of the possibilities of a local committee and are going ahead with the ground work for one of their own. Grants Pass, Klamath Falls, and Astoria have all signified their wish to form committees, and accordingly the State Advisory Council on Employment has scheduled successive meetings at Klamath Falls, Astoria, and then Grants Pass.

One of the most gratifying results of the publicity received regarding the formation of community planning groups has been the impetus given to other local areas throughout the State desiring to promote full employment and organize their own committees. In Oregon, where a tremendous in-migration has created a labor surplus, we must expand our economy by developing new jobs.

We are looking forward with a great deal of optimism to the formation of local committees in most of the progressive areas in the State and the help they will give towards solving our seasonal unemployment problems. The success of the State Advisory Council on Employment seems assured and in all probability will gain in importance as time goes on.

Youth at Work

THE spring term in three school districts in Central Utah was about over. Thousands of youngsters were wondering what they were going to do during the summer months. But 2,852 of the more serious-minded had registered with the Utah State Employment Service. In ages they ranged from 14 to 19 years; 1,700 were only 14 and 15 years old; 1,534 were boys and 1,318 were girls.

What happened to them? They furnished 79,871 man-days of work in the fields, orchards, and berry patches of their community. In addition, in canneries, building, trade, and service they furnished 67,386 man-days of work.

How much did they earn? During the season these youngsters took home $389,161. This money was banked in the community and was spent in the community. They had been given something even more valuable than money, though. They had pride in the knowledge that they "belonged" and had made a contribution to the building up of their homes and local industry.—UTAH EMPLOYMENT BULLETIN, April 1950.

Commerce Aids for Community Planners

(*Continued from page 22*)

Current Business and in other publications, reports regularly on national economic trends and on special business situations. My own Office of Industry and Commerce issues a large number of reports and maintains, in addition to the Area Development and Marketing Divisions, which I have mentioned, a staff of specialists operating in other divisions covering such fields as transportation, construction, trade associations, and in major industrial fields—iron and steel, machinery, chemicals, forest products, nonferrous metals, textiles, foods, rubber, general products. As community development organizations move ahead in their work they find themselves coming into closer contact with the purely "in-plant" problems and opportunities of the individual firm. Employment opportunities and employment stability depend importantly upon the successful solution of those problems and the realization of those opportunities. The reports and specialized knowledge of the above operating divisions are available to business management for those purposes through the field offices of the Department.

The division of the Office of Industry and Commerce with which personnel in the employment security field are perhaps most familiar is the Small Business Division. It was through the work of that Division that the present information program on Government procurement opportunities was developed. In connection with the White House program for assistance to centers of acute unemployment, the Division last year made the arrangements under which procurement information centers were created in the E areas. Long before that, however, the Division had worked with Federal civilian and military procurement agencies to simplify and improve procurement methods in many ways. More recently, it has completed arrangements under which manufacturers in hundreds of communities are now receiving each day a consolidated synopsis of procurement contracts to be let.

The Small Business Division has other programs underway and in the making, from which community development groups have much to gain. One of the more important of these involves its extension service activity. Just as community-wide efforts directed toward industrial expansion have become vigorous over the country, there has also been growth in community-wide efforts to strengthen the position of local retail and service businesses. The Small Business Division, through its extension work, is prepared to provide basic guidance through the field offices of the Department to bureaus of business research, chambers of commerce, service clubs, and other community groups on the organization of clinics and institutes for businessmen. Such clinics have proved extremely popular and beneficial in many communities over the country. They have provided an opportunity for local businessmen to counsel with each other and with organized specialists from business firms, colleges and universities on a wide range of operating problems—sales promotion, merchandising methods, purchasing, accounting, tax matters, and others.

The services and facilities of the Department of Commerce which can be put to work in the planning of community development are, obviously, numerous and varied. It would not be possible to describe them adequately within the space of a single article. However, those which I have described and the examples which I have cited will, I hope, serve the purpose of indicating the *kinds* of things for which communities can look to the Department. Personnel of the Department in Washington and the field welcome inquiries from those seeking fuller information. The central aim of the Department is to "foster, encourage, and promote the foreign and domestic commerce of the United States." In light of the present world situation, our growing productivity, and labor force, that aim means to assist in building a prosperous and expanding economy through the expansion of opportunities for business and industrial enterprise and employment.

Cheboygan Faces up to its Unemployment Problems

(*Continued from page 12*)

devoting a big portion of its efforts to the promotion of the tourist and resort industry. A broad program of publicity is being launched to attract summer vacationists. Cheboygan County is also a great winter resort area, and special events during the year draw thousands of visitors. Notable among these is the outboard marathon over an 87-mile water course on the famous Inland Route which is held annually in August and draws approximately 50,000 spectators. Various other projects enter into the all-city effort to provide more employment. One major nonmanufacturing project is the construction of a new $270,000 gymnasium. Now under way, this undertaking will give employment to a substantial number of local men. Another project is the construction of a new Boys' Club building. This, too, is also well under way. A new bowling alley, a new theater, and several lesser building projects are likewise under way as Cheboygan pushes on in its effort to provide more jobs and cure its own economic ills.

Recommendations of the State Agencies for Community Employment Planning

By **D. H. RONEY**

Chairman, Interstate Conference Committee on Community Employment Planning

Sacramento, Calif.

D. H. Roney

A LITTLE over a year ago levels of unemployment began to rise sharply, and in some areas reached a point where public concern was aroused. In some communities unemployment reached levels in excess of 20 percent of the labor force. While these areas were generally localized, fear was expressed that the kind of unemployment which they suffered might become epidemic.

The formation of community employment committees in such communities was a natural and logical development. The story of their formation and the stimulus given to this type of approach throughout the country is related elsewhere in this issue of the REVIEW. As it became evident that community employment planning was emerging as a definable function of the employment security system, the Executive Committee of the Interstate Conference appointed a subcommittee to represent the States and to work with the Bureau in developing further plans and policies for encouraging this type of activity among the States. A first report of this committee was issued on February 13, 1950.

In the mid thirties, when our unemployment insurance laws were being drafted, a provison was enacted into the laws of 42 States charging the Employment Security Agency with certain responsibilities to stabilize and regularize employment, to minimize unemployment, and to assist in the planning of a public works program in anticipation of widespread unemployment. For more than a decade these provisions have been dormant. In part, this has been because we have been busy with many other program activities; actually, the situation did not arise under which State agencies felt any responsibility for this type of planning, and the provisions were largely forgotten.

When the committee analyzed the actions which had been taken in the various States in recent months to plan an employment program at the community level, it was quite evident that in most cases the establishment of local committees did not occur until unemployment had reached critical proportions. Too often the action came too late to find an effective solution. While in those areas unemployment may be more acute, and the urgency of a solution more apparent, the committee concluded that there were few, if any, communities in the country in which there does not exist a basic employment problem. For example, in addition to the so-called "depressed" areas there are many communities which have experienced a long-range decline in employment opportunities, although the situation is not yet of an emergency nature. There are many communities whose economy is dependent upon a single industry; in those communities the imbalance in their economy presents a threat. There are other communities which periodically suffer from extreme seasonal fluctuations in their employment levels. There are communities in which the "industrial climate"—that is, industrial facilities and services, basic labor-management relations, and other ingredients of a sound economy—impedes the community in developing its employment opportunities. There are other communities in which the population and labor force are growing so rapidly that it is a continuing problem for the community to provide jobs. All of these communities have employment problems, whether or not they are currently considered as a "depressed" area. The need for local action to develop job opportunities exists equally in these as well as in the "depressed" communities.

It was apparent that most of the action required in a community employment program had to be at the community level. It was there that people lived and worked; it was there that they became unemployed and sought jobs. It was in the particular community that new jobs had to be created. At the same time it was equally evident that there were responsibilities which could be met effectively only on a State-wide basis. The creation of a State-wide committee is necessary to the effective development of a program, to stimulate the formation of local committees, to provide them with information and technical assistance, to mobilize and coordinate the resources of the State, and to provide a concerted and aggressive

Gov. Earl Warren addresses 2,000 key representatives of labor, management, Government, and the general public at the opening session of the Governor's Conference on Employment at Sacramento, Calif., on December 5 and 6, 1949.

presentation of State and community problems, if necessary, to appropriate Federal authorities.

Based upon these findings, the committee in its preliminary report made certain specific recommendations to the Executive Committee of the Interstate Conference:

1. That the conference affirm to its members its recognition of the community employment program as an important and basic responsibility in the administration of State employment security programs.
2. That the conference urge upon its members the necessity for taking prompt action to place the program into effect.
3. That the conference urge upon its members the establishment of a State committee.
4. That the member States assist in the establishment of employment committees in all communities where an employment problem exists or can be foreseen, even though no distress unemployment presently exists.
5. That States report their experiences and activities in connection with the development of this program to the Bureau of Employment Security promptly and completely so that their experiences can be shared with other States.
6. That the conference urge the Bureau to recognize the need for flexibility in the development of this program, since the needs in different States and communities are so varied and the solutions therefore so diverse that no rigid patterns of organization or activity can be applied.

Certainly the actions taken in various States thus far have not followed any particular pattern. Most of the activity to date has been centered in areas where unemployment has been acute. Gradually, however, the program appears to be shifting from that remedial approach to one of a preventive nature; that is, toward one which hopes to minimize the problems of unemployment by taking steps at the community level to prevent their developing.

Perhaps more than any of the other programs of employment security this one requires an imaginative and aggressive approach. Certainly no community can be coerced into setting up a community employment planning committee, or to take the actions appropriate to such a committee. The key to success is a recognition that communities *can* be interested in their employment problems, and that if those interests are properly mobilized, there *are* actions which those communities can take to plan for a more balanced and stable economy. By providing accurate information, effective leadership, and continuing stimulus, the employment security system can take on a fundamental responsibility in assuring a stable economy in the future.

AT PRESS TIME

(*Continued from page 2*)

by the State employment services in Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. In each of these States there is a normal demand at harvest time for men and machines from outside their borders. Operations of these State employment services are coordinated by the United States Employment Service, through its Farm Placement Service. The contribution of each of these agencies to the 1949 grain harvest is told briefly in "The Midwest Wheat Harvest."

Visual Aids

SELECTED staff of the Bureau met with Deputy Director Keenan during May to consider what should be the policy toward increased use of visual aids in BES programs.

Because of the developmental work done by the Farm Placement Service in this field, two of its films "Mr. Fli" and "The Agricultural Labor Market" were used to demonstrate the type of visual presentation that can be profitably used in staff training and in some public relations aspects of a program. Other slides included those from Minnesota, where notable visual aid progress has been made.

A working committee on visual aid policy will further study and report on the subject.

Claims and Employment Information Station—the claimant's first stop in the office.

New Jersey . . .

Unemployment Insurance Test-Office Program

By JOSEPH A. JORDAN

New Jersey Division of Employment Security

NEW JERSEY was eager to cooperate with the Bureau of Employment Security's Test-Office Program which has been designed to increase the quality of local office claims operations. Accordingly, Harold G. Hoffman, director, New Jersey Division of Employment Security, appointed a committee to determine the effectiveness of existing procedures and to develop methods and techniques for improving them.

The director's committee was composed of the superintendent of the Unemployment Insurance Service as chairman, the assistant chief of benefits as vice chairman, the chief of Employment Service field operations, and technicians from both services.

Full authority to handle matters in the Test Office not involving policy rested with the vice chairman.

The committee selected the Elizabeth local office in which to make the study and designated it as the Test Office. That is, it was to be considered as an office in which experiments were to be performed, studies of practical value made, and information disseminated.

The Elizabeth Office was selected because it met the following essential criteria of a Test Office. Specifically, it offered:

1. Management and staffing pattern which conformed to the requirements of a test program under the direction of the committee.

2. An office whose physical characteristics—space, lay-out—permitted wide latitude for changes that might be required by the committee.

3. A claim load which represented a fair cross section in respect to volume and composition.

Ground floor of Elizabeth, N. J., local office. In the foreground are claimants completing employment applications. Beyond is the Claims Counter and at the far left is the Information Station. The Examining Section and the Supervisor's Office are to extreme left out of range of the camera.

Certain preliminaries were required before changes were attempted:

1. A survey was made to determine the degree of compliance with existing procedures and to point out weaknesses in operation.

2. Floor plans and flow charts were drawn up—both for movement of claimants and claim papers. These showed where claim loads were concentrated and where extensive cross traffic occurred.

3. From the beginning all employees of the office were informed of the objective of the program. Their interest and understanding were necessary if the program was to be successful.

4. Plans were made for a continuous time study to determine unit costs. This was done so that operations could be controlled from a realistic budgetary standpoint.

After the ground work was laid, it became apparent that a great deal more material than was available was needed as a basis for improvement. The committee was at all times sustained in its faith that notable improvements could be realized if the problems were approached through scientific methods. Essentially there seemed to be no difference in principle between devising a better local office and devising, say, a better automobile engine. Scientific method rests upon accurate data. A traveler can reach his goal only if his maps are adequate.

Attention was first given to those operations which involve the greatest number of claimants.

Thus, intensive observation and anslysis of initial claim processing was started. As information accumulated, all sorts of surprising possibilities came to light. For example, accurate time records on initial claims disclosed much time was wasted in directing and seating claimants. This function was transferred to a claims counter, where claimants formed a line. Much staff time was saved, since two trained claims takers were able to do the work that previously had been spread among four. Another gain was improvement in the quality of the work.

Continuing studies showed that still further progress could be made. The New Jersey initial claim form, a complicated one at that time, required 24 different entries. It was not considered feasible to have claimants complete these forms. Instead, a simplified Preliminary Information Form was designed calling for data on personal history, last employer, and reason for unemployment. Our experiment showed that this form was easily completed by the great majority of claimants. When it was put into general use, the necessary questions asked of the claimant were reduced to 9.

Analytical observation of the work habits of claims operators disclosed considerable variance in technique. This suggested job analyses, which in turn led to the development of standardized operations for both initial and continued claims. These standard

Training session—George Morton, Claims Clerk, at blackboard explaining his job, the taking of initial claims. Thomas Wachenfeld, Manager, is standing.

operations were translated into sequence of operation sheets which were given to each operator. These sheets were of further value as a basis for training and supervision.

Continuous reporting of the continued claims load by half-hour intervals disclosed a most uneven distribution, both by day and hour. This meant that continued claims operators sometimes had little to do and at other times were under tremendous pressure. It also meant that at frequent intervals the office was crowded with claimants awaiting their turn while at other times it was almost empty. The solution to these problems was found by using the last four digits of the claimant's Social Security number as a basis for fixing his reporting time, by day and hour. This method provided a flexible method of claimant control and allowed for the assignment of predetermined portions of that load to various days and hours. It also provided for the equitable distribution of the load among various counter stations. This had the effect of shortening the continued claims lines and permitted more rapid handling of the claimant so that his time spent in the office was considerably less.

Every office has the problem of dealing with a heavy Monday morning influx of persons seeking to file new or additional claims. Because of our success in controlling the continued claims loads, it became an obvious solution to cut down the percentage of these claims on Monday and to assign staff so released to aid in taking new claims.

One of the most difficult—and seemingly insoluble—problems with which a local office has to contend is that of complete fact finding with respect to the eligibility of claimants in disputed cases. The New Jersey Agency's Fact Finding Manual was used as a standard for getting at the facts. This manual contains guide questions covering the various issues that arise and assists in bringing about a more adequate interview with respect to the issue. This was supplemented by the New Jersey Agency's Interpretation Service Manual which contains digests of appellate decisions. These valuable aids were not sufficient to secure the desired ends. At this stage, we prevailed upon the local office claims examiners to apply the basic method that the committee had been using: getting the information, writing it down, analyzing it in relationship to the issue, and drawing a conclusion therefrom. In order to correct weaknesses, the completed cases were evaluated in the light of established standards with the result that the fact finding job now is effectively meeting the standard requirements.

The committee was convinced that training was a vital element in developing the program and has therefore insisted on continuous training on the job

C. Wyllys Cass, claims clerk, conducting benefit rights interview and informing claimant of her rights and responsibilities.

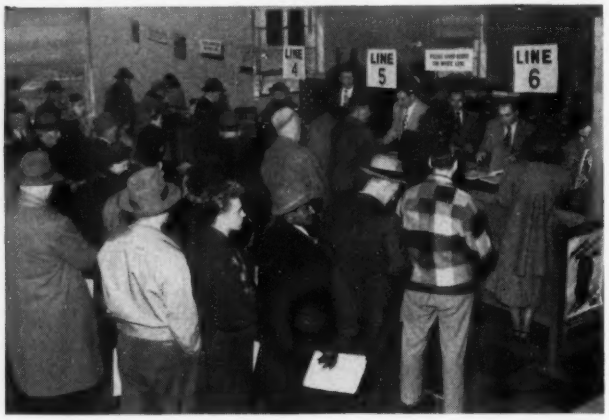
and regular formal training conferences. Every change instituted by the committee has been considered in the light of training. The sequence sheets, mentioned earlier, were among the first training tools used. Every new procedure has been reduced to writing so that it could be used for training purposes. Interviews conducted by the claims examiners have been recorded on sound scribers and used during training sessions to improve interviewing techniques. There is a strict adherence to the regular schedule of training conferences held every Friday afternoon, the time for which became available as we developed the improved control of claimant load discussed previously.

At these Friday afternoon training sessions, each employee is given an opportunity to explain his job to the rest of the staff. A question-and-answer period follows the job description. This gives the employee greater understanding of his job, more confidence in discussing it, and in general boosts employee morale. It has been interesting to observe not only the individual's ever-increasing insight into his job, but also his enlarged grasp of the claims operation as a whole. More and more the personnel of the Test Office are are being formed into a team that is prepared to deal with any difficulty that may arise. From the standpoint of operation, mistakes still occur in the Elizabeth Office, but the same mistakes are made less frequently.

The best single indicator of the effectiveness of a local office is to be found in the community's evaluation of it. This may appear to be a truism, but its implications are far-reaching. The committee, should it plan a change, considers the effect of that change upon public relations as well as its effect upon operations.

Rapid and adequate servicing of the claimant has been a primary objective even more from the public relations viewpoint than from the internal viewpoint, important as that is. A good deal of effort went into the work of improving claimant informational services. For example, we established a Claims Information Station where claimants can have their ques-

Claims counter—where initial, additional, and continued claims are taken.



tions quickly answered by specially trained experts. Provision also was made for the handling of telephone and mail inquiries in a similar manner. In addition, the office developed a form, a copy of which is given to every claimant to read at leisure, outlining his rights and responsibilities in claiming benefits. This has relieved congestion in the office and facilitates private interviews.

Developing a Test Office is a continuous process. Attention must be given to operations, not only in an effort to improve, but also to retain past gains. It is not enough to introduce new techniques and procedures; active and alert supervision is necessary to sustain them.

As the work of the committee has progressed, more and more responsibility for improving operations has been placed on the local office supervisory staff so that the committee will be free to act in an advisory capacity in evaluating improvements made and planning for further development of the test program.

When we boil the whole thing down, it is apparent that the Test Office does provide substantial accredited facts with regard to systems, and the cost of operating such systems. These facts lead to the establishment of standards of performance for a quality job, the development and adoption of operating systems to carry out those standards, and, finally, the cost of maintaining those standards.

The thoughtful reader, even if he has agreed with our main contentions, may probably ask: "To what end?" This brings us to the justification for a Test Office, from the over-all Agency viewpoint. Unless the experiences gained in the office are made available for State-wide use, unless the new methods, procedures, and techniques are sent out to other local offices, the game has not been worth the candle.

The Agency, however, has been eager to adopt the tried, useful innovations developed at Elizabeth. Some procedures have been formally extended to other New Jersey offices. But what is more important, attitudes and viewpoints emphasized in this program have been spreading throughout the State at accelerating speed. The program has indeed begun to pay off!

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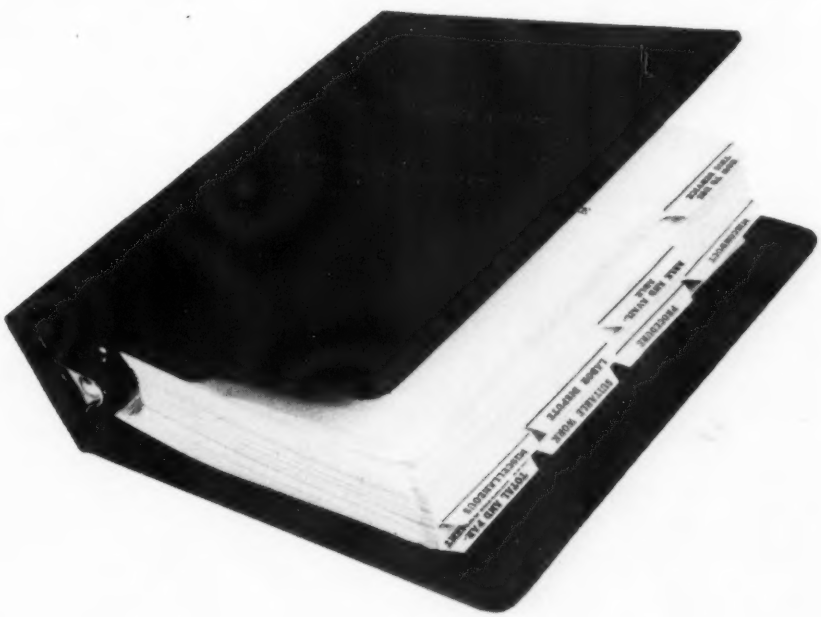

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